

*Memorandum by the Civil Service Department*

1. This memorandum sets out for the information of the Commission the main machinery of government changes, announced by the Prime Minister on 5th October 1969, which were the subject of his statement to the House of Commons on 13th October 1969 (Official Report, House of Commons, columns 31-44), and, in respect of departmental responsibility for monopolies, mergers and restrictive trade practices, of his speech in the Debate on the Address on 28th October 1969 (Official Report, House of Commons, columns 42-43). The Minister of Technology Order 1969 (SI 1969 No. 1498), together with the Transfer of Functions (Monopolies, Mergers and Restrictive Trade Practices) Order 1969 (SI 1969 No. 1534) and the Transfer of Functions (Physical Training and Recreation) Order 1969 (SI 1969 No. 1497) gave effect to the changes to the extent that statutory functions of Ministers were involved. Parliament debated the Minister of Technology Order on 21st October 1969 (Official Report, House of Commons, columns 1069-1120) and the Transfer of Functions (Monopolies, Mergers, and Restrictive Trade Practices) Order on 3rd December 1969 (Official Report columns 1635-1658).

2. In brief, the changes were these:

- (a) *The Ministry of Technology* assumed responsibility for:
  - i all the functions of the Ministry of Power,
  - ii certain industrial functions of the Board of Trade including the distribution of industry, the payment of investment grants, and certain sponsorship functions,
  - iii the responsibilities of the former Department of Economic Affairs in the field of industrial policy, including the statutory responsibility for the Industrial Reorganisation Corporation, and the industrial aspects of regional policy.
- (b) *A Secretary of State for Local Government and Regional Planning* was appointed:
  - i to co-ordinate the work of the Ministry of Housing and Local Government and the Ministry of Transport,
  - ii to take personal charge of the negotiations for carrying through the reform of local government in England,
  - iii to have responsibility for the general content of the Government's regional policy, taking over the work in this field previously carried out by the Department of Economic Affairs, including responsibility for the Regional Economic Planning Councils and Regional Economic Planning Boards in England,
  - iv to have special responsibility in relation to all aspects of environmental pollution in England, co-ordinating the activities of executive departments in this field.
- (c) The responsibility for office development control was transferred from the Board of Trade to the Minister of Housing and Local Government in respect of England, and to the Secretary of State for Scotland and the Secretary of State for Wales in respect of those countries, if the control should be made applicable there.
- (d) The responsibility, so far as England and Wales are concerned, of the Department of Education and Science in the field of physical training and recreation outside the schools and colleges was transferred to the Minister of Housing and Local Government.

- (e) *The Department of Employment and Productivity* became responsible for the functions of the Board of Trade relating to Monopolies, Mergers and Restrictive Trade Practices. It also assumed responsibility for a number of bodies concerned with the provision of productivity services to industry hitherto the concern of the Board of Trade.
- (f) Responsibility for medium and long term economic assessment reverted to the Treasury from the Department of Economic Affairs, and the Treasury also assumed the DEA's co-ordinating responsibility for those aspects of the work of the National Economic Development Council which relate to the continuing process of preparing, producing and following up planning documents and for co-ordinating the consultations between Departments and industry on these; while responsibility for co-ordinating advice on the content and priorities of the Council's business and for supervising the Vote and staffing of the National Economic Development Office passed to the Cabinet Office. Responsibility for the Government's consultations with the Economic Development Committees passed to the relevant sponsoring departments.
- (g) *The Department of Economic Affairs and the Ministry of Power* were dissolved.

3. All the existing powers and responsibilities of the Secretary of State for Scotland and the Secretary of State for Wales remained unchanged. In particular, they retained their responsibility, within the Government's regional policy as a whole, for the preparation of plans for economic development in their respective countries and for co-ordinating the execution of those plans and for the Planning Boards and Councils in Scotland and Wales. In the field of environmental pollution, the Secretary of State for Local Government and Regional Planning works in close consultation with the Secretaries of State for Scotland and for Wales. In his regional planning responsibilities the Secretary of State for Local Government and Regional Planning is assisted by a Minister of State who acts in particular as Minister concerned with the affairs of the Northern Region of England.

*January, 1970*

# MEMORANDUM BY THE CIVIL SERVICE DEPARTMENT ON DISPERSAL OF GOVERNMENT DEPARTMENTS AND ESTABLISHMENTS

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# DISPERSAL OF GOVERNMENT DEPARTMENTS AND ESTABLISHMENTS

## *Memorandum by the Civil Service Department*

### **Introductory: The Flemming Review**

1. In this paper dispersal is taken to mean the placing of offices in locations other than the centre but where location has no *direct* relevance to the work carried out. Deliberate dispersal became part of Government policy in response to the evacuation needs of the last war. At the end of the war it was necessary to decide which of the offices that had been evacuated should return to London: the Admiralty department in Bath was the major example of a Government headquarters office remaining in the provinces. In addition, important dispersal decisions were taken on other sizeable new offices such as the headquarters of the reorganised Ministry of National Insurance (as it then was) which was established at Newcastle. The next major step in dispersal policy came in 1962 when the Government was particularly concerned about congestion in London, and Sir Gilbert Flemming was appointed to review the possibilities. He reported to Treasury Ministers: and in July 1963 the Chief Secretary to the Treasury announced in Parliament that in the light of the Flemming Report the Government planned to move about 13,500 jobs away from London and another 4,500 from central London to the London periphery.

2. Decisions in detail have been taken on the Flemming recommendations, in most cases some time ago. In a number of cases actual implementation of decisions is spread over a period of years.

### **Additional achievements since the Flemming Review**

3. Departments are under instruction to submit for collective consideration proposals for the location of new or expanded work, and all important cases are considered by Ministers. This procedure has resulted in dispersal actions and plans which have substantially added to the outcome of the Flemming Review. Altogether since May 1963 some 15,000 government jobs have been moved right away from London and plans up to 1977 involve the move of a further 23,000 jobs (some major examples are given in Appendix A). An example of the new kind of dispersal opportunity is the reorganisation of work round a computer. Thus all London PAYE work is being moved to Manchester and Edinburgh in the course of the Inland Revenue's change to computer operations; about 7,000 jobs will be involved. Co-ordination in all these cases is the responsibility of the Civil Service Department.

4. In addition to transferring existing work from London, the Government has considered the location of offices to do new work to see whether these could be set up outside London and in accordance with the regional development policy (some examples are given in Appendix A). Thus, the headquarters of the Land Commission were set up in Newcastle and, of the five investment grants offices set up by the Board of Trade, four were located in or adjoining development areas.

5. It should also be mentioned that dispersal has involved disturbance of staff and that the co-operation of staff organisations has very materially contributed to the achievements to date.

### **Consideration of regional needs**

6. The Scottish Office, the Welsh Office and the Department of Economic Affairs with their general responsibility for regional development take part both at Ministerial and at official levels in discussions on possible locations for new and transferred work. Most of Scotland and Wales is scheduled as development areas, and dispersed offices are located in development areas wherever possible. (Northern Ireland is also considered in this context when opportunity arises.) Other departments such as the Department of Employment and Productivity with specialised knowledge relevant to the question of location are also brought into consultation.

### **Future dispersal possibilities**

7. Nearly all the blocks of work identified for dispersal since the war have been executive tasks of a reasonably self-contained nature not involving frequent and urgent consultation on issues of policy with senior officials and Ministers. Where it is clear that work can be carried on well away from London and the South East without serious loss of efficiency, the advantages of so locating it are easy to see. Accommodation costs substantially less, congestion in London is reduced and a positive gain to regional development policy is obviously secured. Despite the very substantial past achievement, the number of civil servants in London has continued to grow (see Appendix B). It is therefore natural that the Civil Service Department, with its general responsibility for dispersal policy, should be considering the question whether it is possible to make further moves of work which will secure the above mentioned advantages. On the one hand it may be held that there must be a limit to the number of self-contained blocks of work which are capable of separation from the rest of the department concerned and from other departments. The Flemming Review was a comprehensive one and might be thought to have identified all or most of the possibilities for moving this kind of work. The Civil Service has an inescapable responsibility for maintaining an efficient service to Ministers and through them to Parliament. It can be seen from the table at Appendix B that about one third of the total non-industrial Civil Service is at present in the London area and only about one fifth in Inner London. On the other hand, it can be supposed that within the broad category of "policy work" which it has hitherto been thought impossible to disperse there may be considerable variations in the volume, frequency and urgency of the necessary consultation with Ministers and senior officials within departments and with other departments with which policy must be co-ordinated. It is conceivable that some of the problems associated with separation can be reduced by using modern communication techniques, and decisions about further dispersal possibilities seem inevitably to require the detailed analysis of communications links and the implications of stretching or breaking them. It is along these lines that the Civil Service Department will continue to look out for possibilities and hope over the long term to make gradual further progress.

### **Conclusion**

8. It is Government policy to take every opportunity to disperse offices away from South East England, whenever possible into development areas. They have achieved a very substantial measure of dispersal of work away from London, and plans are in hand for further moves involving large numbers of jobs. Considerable additions to employment opportunities are thus being provided in Scotland, Wales and the English Development Areas. The Government is not complacent about its achievement and will continue to look out for new possibilities. However it is likely that the practicability of dispersal will always be limited by communication requirements and facilities, bearing in mind the paramount need to ensure the efficiency of the machinery of government.

*May, 1969*

## APPENDIX A

### MAJOR OFFICE PROJECTS DECIDED UNDER DISPERSAL AND REGIONAL DEVELOPMENT POLICIES

#### Dispersal

The following are the major moves of work from London or near London recommended in the Flemming Report (May 1963) and processed since then, together with some moves which the Flemming Report noted as in train under earlier decisions and dispersal initiatives since the Flemming Report.

<i>Department and brief description of work</i>	<i>Location</i>	<i>Number of jobs involved</i>
Customs and Excise—		
Statistics and Accounts work		
Surveyors and Valuation Branches	Southend-on-sea	1,400
Department of Education and Science—		
Teachers Pay and superannuation	Darlington	630
Inland Revenue—		
London Tax work, small offices and		
London Accounts offices	To various locations	2,630
Schedule "E" Centres (London work)	Manchester	4,200
	Edinburgh Up to	3,000
Department of Employment and Productivity—		
Statistics, Finance and Establishments work	Runcorn	700
Ordnance Survey—		
Headquarter staff	Southampton	850
Paymaster General's Office	Crawley	620
Ministry of Public Building and Works	Hastings	600
Post Office—		
Accountant General	Chesterfield	2,100
Savings Certificate Division	Durham	2,400
Savings Bank	Glasgow	5,500
Research Station	Ipswich	1,400
Home Counties South East Region	Brighton	600
Home Counties East Region	Colchester	600
Her Majesty's Stationery Office—		
Accounts, Contracts and various other work	Norwich	1,200
Ministry of Transport—		
Road Research Laboratory	Crowthorne	550
Civil Service Commission	Basingstoke	660
Ministry of Defence—		
Army Department	Cardiff	1,500
Navy Department	Bath	950
Royal Mint—		
New Mint and Decimal Coinage	Llantrisant	1,300
Board of Trade—		
Business Statistics Office	Newport	1,250

There are a number of other moves involving less than 500 jobs each.

### Location of new offices

The location of a number of offices to do a new Government work (or reorganised work) has been considered in relation to dispersal and regional development policies. The following list shows some of the larger offices whose location has been determined on these grounds in recent years.

<i>Department</i>	<i>Location</i>	<i>Approx. No. of jobs (Estimate at time of decision)</i>
Inland Revenue— Schedule “E” Centres	East Kilbride	1,300
	Bootle	2,000/2,500
	Cardiff	2,000/2,500
	Shipley	2,000/2,500
	Tyneside	2,000/2,500
	Southampton/ Portsmouth area	2,000/2,500
Land Registry— Provincial Offices	Swansea	550
	Plymouth	650
Post Office National Giro	Bootle	3,000
Ministry of Transport— Licensing Work	Swansea	4,600
Board of Trade— Investment Grants	Various (4 out of 5 in or adjoining Development Areas)	870
Land Commission	H.Q.: Newcastle- upon-Tyne	200
	Various other locations	1,700

## APPENDIX B

### NON-INDUSTRIAL STAFF BY LOCATION (excluding Post Office)

<i>1st July</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>Percentages</i>	
<i>Year</i>	<i>Inner London</i>	<i>Outer London</i>	<i>Rest of Country</i>	<i>Total</i>	<i>A of Total</i>	<i>A plus B of Total</i>
1965	96·2	38·9	285·3	420·4	22·9	32·1
1966	97·6	41·6	293·2	432·4	22·6	32·2
1967	99·1	44·3	314·2	457·6	21·7	31·3
1968	102·6	46·5	325·4	474·5	21·6	31·4

# MEMORANDUM BY THE DEPARTMENT OF ECONOMIC AFFAIRS ON THE STRUCTURE AND FUNCTIONS OF DEPARTMENTAL ORGANISATIONS IN THE ENGLISH REGIONS

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# THE STRUCTURE AND FUNCTIONS OF DEPARTMENTAL ORGANISATIONS IN THE ENGLISH REGIONS

*Memorandum by the Department of Economic Affairs*

## INTRODUCTION

1. The purpose of this paper is to describe the organisation of the main civil Departments for carrying out functions on a decentralised basis, and certain other relevant arrangements. It touches on the way in which such organisation contributes to central policy-making which affects the regions, but it does not deal with regional policies as such nor with the central machinery for formulating them.

2. The Departments preparing this paper agreed that clarity would be served by adopting a uniform terminology for certain concepts. They do not claim that the following usages are "correct" in any absolute sense, and recognise that there may be further meanings to be attached to these terms in other relevant contexts; but for the purpose of this paper the intention is to use the terms as follows:

### *Devolution*

This refers to the passing of powers or duties from one Minister or other central authority to another Minister responsible for a defined geographical area, or to some other authority.

### *Decentralisation*

This refers to the exercising of powers and duties through officers stationed at points spread throughout the country instead of exercising the same powers and duties at the capital.

### *Delegation*

This refers to the definition of the limits within which decentralised officers or bodies (e.g. Hospital Boards) may act.

### *Dispersal*

This refers to the placing of officers in locations other than the centre but where location has no direct relevance to the work they carry out.

3. The paper consists of chapters prepared by the main departments which have regional organisations or functions. In the light of the definitions above, Government work which is dispersed and not decentralised has been excluded, but no hard and fast line can be drawn between functions discharged locally which have some regional or local element in them and those which have not, so the coverage of the paper is to this extent somewhat arbitrary. Descriptions of fifteen departmental structures are included in it, starting with the "economic" departments, continuing with the environmental planning and social service departments and concluding with accounts of the countrywide arrangements of the major revenue departments in respect of their national functions administered at local level.

4. The first chapter is by the Department of Economic Affairs, which differs from most of the other departments covered by reason of its having no statutory function to carry out in the regions, although *inter alia* charged with the duty of promoting and coordinating regional economic development policies as a whole. For Scotland and Wales, similar responsibilities rest with the Scottish and Welsh Offices and the three departments work closely together.

5. The Regional Economic Planning Councils and Boards described in the D.E.A. chapter are two fairly recent innovations specifically designed to focus consideration of regional economic and planning matters. Study of other chapters will show that many regional offices were not staffed or set up with this sort of thinking in mind. They were established by departments to meet practical administrative needs as these arose, in the ways best fitted for those needs and with boundaries most appropriate to the circumstances. The variety of tasks to be carried out, and consequently of organisation, is such that only limited uniformity of presentation has been possible in this paper. It should be noted too that in spite of the title of the paper, there is some inevitable overlapping in the presentation of United Kingdom departmental responsibilities and arrangements with the descriptions of arrangements in Scotland and Wales done separately for the Commission.

## CHAPTER 1

### DEPARTMENT OF ECONOMIC AFFAIRS

#### The Work of the Department

1. The Department, set up in 1964, has no executive or regulatory functions, but has the responsibility for constructing medium and long-term economic assessments, especially in relation to the use of real resources, and for co-ordinating economic and industrial policies in this field. In this context it has a primary role in considering the problems of regional economic development especially to improve the regional balance of the economy. It is, as a consequence, particularly concerned with the regional implications of national policy making, and with specific policy making for the regions (as in the consideration of the recent Hunt Report); for these purposes it draws on the expanding departmental work in economic forecasting. (In the regions, activity at national level on regional matters is reflected in the work of Economic Councils and Boards described later in this paper.) Implicit in all the above is close working co-operation with all other industrial and planning departments.

2. For the discharge of the regional aspects of its functions, at D.E.A. Headquarters, there is a Regional Group, which is responsible, with the Scottish Office and Welsh Office as appropriate, for co-ordinating the work of other Departments in respect of regional economic planning issues. The nucleus of this Group was part of the Board of Trade Regional Division, transferred to the D.E.A. in 1964. The Group is headed by a Deputy Secretary and consists of general service classes. In practice, it works very closely with two branches of the Economic Group of D.E.A., which have designated functions in respect of regional economic analysis and advice, and which are staffed mainly by professional economists, statisticians and research officers. D.E.A. is also the parent department of the regional economic planning machinery set up in this country during the last few years.

3. Accommodated within the Regional Group of D.E.A. is the Central Unit for Environmental Planning (C.U.E.P.), set up in July 1966, to undertake work on national aspects of environmental planning and of carrying out detailed studies of particular problems of regional and environmental policy. The unit consists of officers drawn from the various Departments concerned with environmental planning but working together as a team. The Unit has recently published a report on the feasibility of adopting Humberside as the location of a new major centre of population; work is continuing on a study of Severnside.

#### The Regional Economic Planning Machinery

4. The introduction of economic planning machinery in the regions and the formal delineation of those regions was announced to Parliament on 10th December 1964. (See map at Appendix A.) The stated purpose of the new Boards and Councils was to provide effective machinery for regional economic planning within the framework of national planning and for the implementation of regional policies. In England, there are eight economic planning regions: Northern, Yorkshire and Humberside, the East Midlands, East Anglia, the South East, the South West, the West Midlands and the North West. (Scotland and Wales each has a comparable Council and similar supporting official arrangements.)

5. The English Economic Planning regional boundaries of 1964 took into account existing departmental regional boundaries, existing regional structures, local authority boundaries and evidence of any "regional consciousness", judged against the aim of securing greater efficiency in joint planning activities. The number of regions was kept low and it was made explicit that in neighbouring regions the machinery was to co-operate where problems overlapped regional boundaries.

6. In each region there is an Economic Planning Council and Economic Planning Board, for which a Regional office is established at Newcastle, Leeds, Nottingham, London (for East Anglia and the South East), Bristol, Birmingham and Manchester. The places were chosen largely because Government administrative centres in some measure already existed there. The housing of the regional staffs of the main Departments of Government in the same place, and so far as possible in the same building, is regarded as helpful to co-ordination.

### **The Economic Planning Councils**

7. The Chairman and members of the eight Economic Planning Councils in England are appointed by the Secretary of State for Economic Affairs normally on a three year basis. There is now a system of variation in the periods of appointment. Each Council has 25 to 30 members drawn from local government, the trade unions, industry and commerce, the universities, social services, and other spheres of activity which contribute to regional economic planning. They are appointed as individuals and not as representatives or delegates of particular organisations or areas. The Chairman and members serve part-time in a voluntary capacity. The turn-over of membership during the past four years has been about a third.

8. The Councils are not statutory bodies. They are advisory and have no executive powers. Their terms of reference (February, 1965) were:

- (a) To assist in the formulation of regional plans, having regard to the best use of the region's resources.
- (b) To advise on the steps necessary for implementing regional plans on the basis of information and assessments provided by the Economic Planning Board.
- (c) To advise on the regional implications of national economic policies.

9. These terms of reference have remained unchanged, and have been interpreted in practice in conformity with the actual evolution of regional economic planning work. Councils are now mainly at work on the development of long-term strategies for their regions, based on earlier factual studies, which have now been published for each region. In practice, because of the different characteristics of each region, this work is at present shaping in a variety of ways—in terms of refined general strategies, more detailed studies of particular sub-regions and the identification of growth points, economic assessments and particular functional studies, e.g. of ports. In respect of paragraph 7(c) above, there is a continuous traffic of consultation between Ministers and the Councils (e.g. currently, the "Economic Assessment to 1972", national steel re-organisation plans, future highway strategy, railway closures and subsidies, civil aviation and public investment forecasts for the regions). The Councils do not normally become involved in particular local *short-term* industrial or other issues, except where these have a bearing on longer term developments.

10. R.E.P.Cs usually meet monthly (some in alternate months). Most Councils have set up sub-committees, panels or working groups to deal with particular topics e.g. Communications, Environment, Education, Industry, etc.

These bodies are also advisory to the main Council but in some cases by local arrangement they discharge business on behalf of the Council. Similarly, the Chairman of the Council also often acts, e.g. in contacts with Ministers, on behalf of his Council. Meetings are held periodically by the Secretary of State for Economic Affairs with the Chairmen of the English R.E.P.Cs, and Scottish, Welsh and Northern Ireland representatives.

### **The Planning Boards**

11. The Economic Planning Boards consist of the senior civil servants of the main Departments in each region which are concerned in any way with economic planning. The Chairmen are senior officials of the Department of Economic Affairs.

12. While the formal establishment of these Boards in 1964-65 was new, substantial regional organisations had existed for some separate departmental purposes for many years, and in the North East, co-ordinating machinery for officials of the main economic departments had been set up in 1963. Separate from their work on the Boards, the regional representatives of Departments discharge daily a wide range of departmental business at the regional level, as the other chapters in this report show. With this work a Board as a Board, does not deal, although its departmental members do, of course, bring to the Boards' work the experience that arises from these other duties; and, they discuss through the machinery of the Board matters of departmental policy which affect regional development, especially where several Departments are involved.

13. Departmental participation on the Planning Boards varies. In all regions the main planning departments (Ministry of Housing, Board of Trade, Department of Employment and Productivity and the Ministry of Transport (as regards highways) ) were represented from the start. In others, representation has come with the gradual expansion of departments' regional organisation or with the development of new Departments (e.g. the Ministry of Technology). For some Departments, the new regional centres entailed new organisations or additional staff supplementing the regional offices in an adjoining region, e.g. the West and East Midlands, or a peripatetic attendance of Headquarters staff where no regional organisation existed, e.g. the Ministry of Power and in some regions, the Ministry of Transport (apart from the Divisional Road Engineer (D.R.E.) ).

14. On average, about 13 Departments have regular representatives at *full* meetings of the Regional Planning Boards; the frequency of these full meetings varies but one is held at least every two months. However, most Boards also have an executive committee or steering group meeting at more frequent intervals. The senior regional officials of the major Planning Departments attend these regularly. These officials are usually drawn from the following Departments: Housing, Trade, Employment and Productivity, Technology, Transport (D.R.E.) with Power, Education and Science, Agriculture, Fisheries and Food, M.P.B.W., D.H.S.S., and C.O.I. represented as necessary. The Chairmen of the English Planning Boards meet regularly in London under the Chairmanship of the Deputy Secretary of the D.E.A. Regional Group; these meetings are attended by the Chairmen of the Scottish and Welsh Boards and by Northern Ireland representatives.

15. The then First Secretary (Mr. George Brown) said in the main Government statement on regional organisation in the House on 10th December 1964 (Official Report Col. 1829) that the creation of the Boards "will not affect the existing powers of local authorities or existing ministerial responsibilities."

16. The Boards have not been given formal terms of reference. Their main tasks at present are to co-ordinate the regional economic planning work of Departments and to co-operate with the Economic Planning Councils in developing the long-term planning strategies for the regions.

### The Functions of the D.E.A. Regional Offices

17. The functions of the D.E.A. regional offices are:

- (a) to provide the Secretariat and service the Planning Councils and Boards and to co-ordinate in consultation with other Departments, the material required for the Planning Councils;
- (b) to assist the Councils in formulating their proposals for a regional strategy;
- (c) to initiate and/or co-ordinate consultation with Councils on the regional implications of national policies;
- (d) to advise D.E.A. Headquarters on regional economic planning matters and to act on its behalf in the regions.

### Staffing

18. The senior official in five of the D.E.A. regional offices is an Assistant Under-Secretary of State, who is the senior D.E.A. official in the region and Chairman of the Economic Planning Board. In the South West, East Midlands and East Anglia regions this official is an Assistant Secretary. An Under-Secretary from the Regional Group of D.E.A. is Chairman of the South East Economic Planning Board, in addition to his Headquarters' duties. He is assisted by an Assistant Secretary as Deputy Chairman, who is in day-to-day charge of the S.E. Regional Office. The senior D.E.A. official in a region is assisted by (a) a Principal or a Chief Executive Officer who serves as Secretary to the Planning Council and/or Board with supporting executive, clerical and typing staff forming the Secretariat; and (b) a Senior Research Officer with a small staff of Research and/or Assistant Research Officers. In some regions, Research Advisers from a local university give part-time paid assistance to the Planning Board.

19. Regional office staff complements vary from 13-20. They include administrative, executive and research grades with supporting clerical and typing staff. The staff are allocated as follows:

<i>Region</i>	<i>Administrative and Executive Grades</i>	<i>Research Grades</i>	<i>Supporting clerical Staff</i>	<i>Total*</i>
Northern	9	4	4	17
Yorkshire & Humberside	7	3	5	15
East Midlands	6	3	2	11
East Anglia	6	2	3	11
South East	9	3	8	20
South West	7	3	5	15
West Midlands	5	3	5	13
North West	8	5	5	18
<b>Total</b>	<b>57</b>	<b>26</b>	<b>37</b>	<b>120</b>

\*Excluding typing staff.

May, 1969



# APPENDIX A TO CHAPTER 1

## ECONOMIC PLANNING REGIONS



## BOARD OF TRADE

**The Work of the Department**

1. The Board of Trade is responsible for an exceptionally wide range of functions, both statutory and non-statutory, which it has acquired over the long period of its existence. The Board's traditional and central functions arise from its responsibility for matters affecting industry and for home and overseas trade, but it is also responsible for other functions which have little relation to this central theme and which have been acquired as "going concerns" as a result of *ad hoc* Government decisions. A recent example of this has been the transfer to the Board of responsibility for civil aviation following the Government's decision to disband the Ministry of Aviation. In addition, there are other functions which, while traditionally linked to the Board of Trade, are by their nature independent and are more or less self-administered, as for example the Official Receivers' Service which is part of the Board of Trade but whose day-to-day functions are controlled by a specially qualified class.

2. Nearly all of the Board of Trade's functions require some form of regional representation because they involve day-to-day contact with industry which would be physically impossible if all of the Board's staff were in London. The structure of this representation, however, reflects the diversity of functions and different administrative arrangements previously mentioned. In consequence, it is not possible to produce a broad description which applies to the whole of the Board's Regional Organisation and the note attempts, therefore, to classify the Board's main regional organisation into two groups: (i) those Regional Offices which are essentially a miniature reflection of the traditional central Board of Trade functions for industry and the promotion of exports; and (ii) the major specialist group covering investment grants, the Export Credits Guarantee Department, the Official Receivers' Service, Civil Aviation and the Marine Division. The allocation of staff among the regions is set out in Appendix A. In addition, there are five offices of the Accountancy Services Division in the regions and one branch of the Patent Office in Manchester, but the numbers of staff involved in these two cases are small and are not covered in Appendix A.

**Group 1—General Regional Offices**

3. The traditional Board of Trade responsibilities for the promotion of exports, the distribution of industry under the Local Employment Acts, including the Industrial Development Act, 1966, and the sponsorship functions associated with a wide range of manufacturing industries are undertaken jointly by headquarters divisions and by a number of Regional Offices situated at strategic points throughout Britain. In England there are two offices in London, covering London, the South-East and East Anglia, and there are others at Bristol, Birmingham, (with a sub-office at Nottingham), Leeds, Manchester and Newcastle (with a sub-office at Cokermouth). The Board of Trade is represented in Scotland by an office for Scotland in Glasgow (with a sub-office at Inverness) and by an office for Wales at Cardiff (with a sub-office at Colwyn Bay). A map showing the areas covered by these offices is at Appendix B. The Board also provides some export services to firms in Northern Ireland in collaboration with the Department of Commerce at Belfast but the Northern Ireland Government is responsible for its own distribution of industry policy and the provision of financial and other incentives to stimulate industrial development there.

4. The work of these Regional Offices divides into two main streams (a) the promotion of exports which is non-statutory and which consists essentially of providing a chain of information between an exporter and his market overseas in consultation with the Board's Export Services Branch and the Diplomatic Service and (b) the location of industry, where the Regional Controller has substantial delegated powers to grant, up to a specified limit of size, the industrial development certificates without which an industrialist cannot obtain planning permission under the Town and Country Planning Act to expand his business. In London and the Midlands, where there is control over office development, the Regional Controllers have similar powers to provide—again up to an authorised limit of size—the office development permits required under the Control of Offices Act 1965. In addition to these largely executive functions, the Regional Controller and his staff are the formal representatives of the Board of Trade in their Region and they inevitably become involved in many local and regional activities particularly at senior levels. The Controllers are, for example, the Board of Trade representatives on the Economic Planning Boards and have close day-to-day relationships with other departments in the regions. They are consulted automatically on matters of regional policy and they are an important link in the chain of communications between Government and industry, particularly in their role of advisors on the effects of Government decisions on the Regions. In Scotland and Wales, Regional Controllers represent the Board of Trade in contacts with the Scottish Office and Welsh Office, and play an important role in keeping the Government in touch with specifically Scottish and Welsh industrial and economic problems.

## **Group II—Specialist Offices**

### **Investment Grants Offices**

5. The Board of Trade are responsible for administering the Industrial Development Act 1966, Part 1 of which provides for the payment of cash grants towards expenditure incurred by industry in the provision of certain capital assets. This entails examining and taking decisions on about 100,000 applications a year on which grants amounting to £450 million to £500 million are paid.

6. The work is divided between five provincial offices (Southend-on-Sea, Cardiff, Billingham, Bootle and Glasgow) under direction from a policy division at Board of Trade headquarters in London. The location of the five offices was not designed to fit into the Board's general regional office structure, it was dictated mainly by the Government's policy for the dispersal of Government office work, and to a lesser extent by the availability of office accommodation and staff which had to be acquired at short notice. Since, however, the offices had to be located in the provinces, the opportunity was taken to relate the responsibilities of each office to the geographical distribution of potential applicants for grant, as far as it was possible to do so. The five offices have delegated powers to approve grants up to any amount within the policies laid down by the Headquarters policy division. This work brings them into daily contact with a wide range of firms and industries and involves the examination of many large and complicated claims on expenditure frequently amounting to several million pounds. They are also responsible for the enforcement of conditions under which the grants are paid.

### **Export Credits Guarantee Department**

7. The Export Credits Guarantee Department is a separate Department of the Board of Trade deriving its power from legislation, recently consolidated in the Export Guarantees Act, 1968; it is constituted to provide a self-supporting credit insurance facility for British exports of goods and services.

8. To give a full and adequate service to exporters the Department has established a network of regional offices. These offices have been established as the point of contact between the exporter and E.C.G.D. Headquarters to explain the Department's facilities and to guide exporters in the use of these facilities in the day-to-day running of their export business. The first regional office was established in Manchester in 1928 and other offices have been established through time to keep pace with the expansion of the Department's business and to take care of new areas of industry as they are developed. There are now thirteen regional and seven area offices, of which four regional offices (North, South and West London and City) supported by three area offices (Reading, Bedford and Crawley) serve London and the Home Counties. The remaining nine regional offices are situated in Belfast, Birmingham, Bradford, Bristol, Glasgow, Manchester, Newcastle and Nottingham and the four area offices in Edinburgh, Leeds, Liverpool and Sheffield.

9. The Regional Organisation, through the local offices, is the normal channel of communication between the Department and the exporter. Policy negotiations are conducted through the Regional Organisation and the flow of communication covering the working of the policy, the issue of credit limits, the processing of claims, etc., particularly in respect of the Comprehensive Guarantee which constitutes over 90% of the Department's business by value, is pursued through the local points of contact; thus the exporter's policy is negotiated and serviced on the spot from the Regional Office. It is the Regional Officers' job to service existing policyholders and to bring the Department's facilities to the attention of the exporting community in general. Experience has shown that small offices in close proximity to exporters provide the most economic and efficient method of contacting and servicing exporters. This is particularly exemplified in the rapidly expanding London area, where to relieve pressures on the four London Regional Offices it has been found expedient and economic during the past three years to open area offices at Reading, Bedford and Crawley.

### **Insolvency (Official Receivers) Service**

10. The Official Receivers' Service deals with bankruptcies and compulsory liquidations of companies in England and Wales. Official Receivers are both officers of the Board and of the courts to which they are attached. Their administration starts on the making of an order in the High Court or in a county court. High Court cases are dealt with in London by the Companies Winding-up and Bankruptcy High Court Departments. Cases administered within the county courts, both bankruptcies and compulsory liquidations, are handled by Official Receivers in 29 districts in the Home Counties and provinces. For convenience cases are transferred from court to court. Each Official Receiver has a district which is based on areas over which the courts have jurisdiction. Districts are changed occasionally in the interests of efficiency or to take account of trends in the volume of work. No account is taken of any other governmental regional set-up. Official Receivers are responsible for dealing with the affairs of all types of individuals, traders and non-traders, and all kinds of trades and businesses carried on by sole traders, firms, partnerships and companies. Bankruptcy and Companies Headquarters in London have general responsibility for the effective and efficient operation of the Official Receivers' Service. General policy decisions are taken in London. Day-to-day administration is handled locally.

### **Civil Aviation**

11. The field responsibilities of the Civil Aviation Department are covered by three regions, known as divisions; Southern Division, which embraces a line south of the Severn to the Wash; Northern Division covers the rest of England

and Wales (and Northern Ireland) northwards to the Scottish border. Scottish Division takes in the whole of Scotland including the Scottish Islands. The Southern Division Controller is an Assistant Secretary, the Controllers for Northern and Scottish Divisions are Directors (Operations). Each Controller is assisted by a professional officer at Deputy Director rank for Operations, an administrative officer at SEO level, and officers at senior technical level with the rank of Divisional Fire Service Officer and Divisional M.T. Officer. He also has the services of other professional officers of Deputy Director rank for Air Traffic Control and Telecommunications who form part of the field organisation of the National Air Traffic Control Services. Southern Division also has a senior professional accountant, an SEO on Economic Planning and a professional civil engineer seconded from MPBW as Divisional Works Liaison Officer. A list of the staff in the three divisions is at *Appendix A*.

12. The Civil Aviation divisions follow broadly the boundaries of the economic planning regions. Southern Division has three, the South-East, East Anglia and South West planning regions. Northern Division has six, Northern, Yorkshire and Humberside, East Midlands, West Midlands, North-West region and Wales. In addition, the Controller represents the Board on the Northern Ireland and Welsh Civil Aviation Advisory Committees. The Scottish Division covers the whole of Scotland and the Controller represents the Board on the Scottish Advisory Committee for Civil Aviation.

13. The Civil Aviation Divisional Controllers are the senior representatives of the Civil Aviation Department in their region and are responsible for a range of regulatory functions stemming from civil aviation legislation as well as important liaison functions on civil aviation matters with authorities and bodies in their area. They are the civil aviation representatives on the Planning Boards serving the Economic Councils in their region.

14. The regulatory responsibilities cover the field of flight safety, including the inspection and licensing of aerodromes, the supervision of air displays and races and dispensation where necessary on the various regulations concerning low flying. Breaches of civil aviation regulations are dealt with in the first instance in the divisions. They are responsible for the inspection and oversight of minor operators, flying clubs and sport parachuting as well as a range of associated matters such as crop spraying. Equally important is the task of advising aerodrome owners, aircraft operators and pilots on the maintenance of flight safety standards. The economic planning responsibility primarily the responsibility of the Controller himself, is an essential and rapidly developing task as the importance of a properly planned and integrated airport system in future economic planning is recognised by the Economic Councils.

15. The Divisional Air Traffic Control and Telecommunications Officers are responsible for the day-to-day operation of their technical services in the region and for the inspection of ATC services at licensed aerodromes.

16. In addition to the task of implementing the civil aviation policy in the field, and in keeping London headquarters apprised of the impact of this policy, Controllers are responsible for a range of day-to-day administrative functions in connection with the technical services provided by the department in the Telecommunications and Air Traffic Control field. They are responsible for the provision of the day-to-day housekeeping services for the air traffic control, telecommunications and other services, and administer the agreements between the BAA or local authorities where technical services are provided by

the Department. The Controller is responsible for the collection of the technical service charges in these cases which amounts to nearly four million pounds per year in Southern Division. He is also responsible for the preparation of the statutory trading accounts and estimates for the technical services provided by the Board. In addition, the Controller, Southern Division, has special responsibilities for the control of aircraft noise at the BAA airports in southern England and administers the policy on the control of night flying of jet aircraft. Advice and guidance is given in problems of aircraft noise at other airports. This requires close liaison with aircraft operators and airport owners.

17. In carrying out these responsibilities, Controllers and their technical staff are required to be at the disposal of airport operators and local authorities, particularly in view of the growing sensitivity of the population to aircraft noise.

### **Marine Division**

18. The Marine Division of the Board of Trade has, as its principal purpose, the furtherance of safety of life at sea on behalf of Her Majesty's Government, acting in concert, through the Inter-Governmental Maritime Consultative Organisation, with other Governments having maritime interests.

19. This is achieved by applying the Merchant Shipping Acts, and supporting legislation, to the survey of ships, their equipment and, where appropriate, to their cargoes; to the recruitment, qualifications and conditions of seamen and fishermen; and to navigational matters, including pilotage, lighthouses and H.M. Coastguard. Additionally, the Division has responsibilities in connection with marine pollution and, with the recent transfer to the Board of Trade of the former Sea Transport Division of the Ministry of Transport, also provides a common service for all Government Departments in the chartering etc. of vessels for official use.

20. At Headquarters the Division is organised into five administrative Branches, each specialising in different aspects of the Division's legislation and work, and three "Consultative" Branches, each headed by a Professional Officer approximately equivalent in rank to Assistant Secretary, with supporting professional staff. The specialisations of the professional staff at all levels reflect the three "disciplines" to be found in the Marine Survey Service, namely Nautical (master mariners), Ship (naval architects) and Engineer (marine engineers). There is close and continuous consultation between the administrative and professional staffs at Headquarters in the complex business of policy making in this highly technical field.

### *Marine Survey Offices*

21. These offices are staffed by surveyors of the three disciplines referred to above, who are responsible for the "field" work involved in the surveying of ships to ensure compliance with the law relating to safety and seaworthiness and for the issue of the appropriate certificates required by international conventions and our own law. So far as radio surveys are concerned, the Board looks to radio surveyors on the staff of the Post Office, to cover both the Board's safety interest and the broader Post Office responsibilities.

### *Mercantile Marine Offices*

22. Mercantile Marine Offices (at which M.M.O. Superintendents, commonly known as shipping masters, serve) were established under the Merchant Shipping Act of 1850 to enable the Board of Trade to take over general supervision and financial control of the engagement and discharge of seamen serving in British



registered foreign-going ships. Today, Mercantile Marine Offices provide services to both the Merchant Navy and Fishing Fleets and the duties they perform are divided into statutory (those which the Acts require the M.M.O. Superintendent to perform) and non-statutory (those which the Mercantile Marine Offices have assumed to keep pace with developments). The latter include work on an agency basis for the Department of Inland Revenue and the Ministry of Health and Social Security.

23. There are four Board of Trade Mercantile Marine Districts: Southern and South Wales; London; Northern Ireland and North Western; and Scotland and North Eastern.

### *Inspectorate of Ships' Provisions*

24. Section 206 of the Merchant Shipping Act 1894, and Section 26 of the Merchant Shipping Act 1906 empower inspecting officers of Board of Trade offices to inspect provisions and water intended for the use of crews of British ships, either on board or before shipment. Acting under these powers, Ships Provision Inspectors of the Board carry out inspections of crews provisions on board ship, on an *ad hoc* basis, and also in response to complaints. In addition, they inspect at the premises of manufacturers or suppliers bulk quantities of food destined for crew use. If it is found to be in an acceptable condition, a seal is put on such food which exempts it from future shipboard inspection for the period shown on the seal. There are four kinds of food (tinned meat, rice, butter and flour) which, by agreement with the shipping industry, are always inspected before shipment; other commodities are bulk inspected if the purchasing ship-owner so desires.

25. The Food Inspectorate is divided over 7 areas, centred on London, Liverpool, Cardiff, Glasgow, Newcastle, Hull and Southampton.

### **H.M. Coastguard**

26. H.M. Coastguard is not part of the Regional Organisation of the Board in the sense that there has been any devolution to the Regions. H.M. Coastguard, which is a disciplined force, was set up by the Coastguard Act, 1925, to provide a coast-watching force for vessels in distress or missing and to carry out certain other duties. Its main function is to keep a watch from stations situated on the coast and to initiate and co-ordinate search and rescue action for vessels which are in distress or missing. By the very nature of its duties it cannot carry them out elsewhere than on the coast.

27. Questions of policy such as the complement of the Service, the number of stations and the types of equipment required are dealt with at Headquarters, but the day-to-day running of the Service and the search and rescue action taken is a matter for the Coastguard Service. The Coastguard Service is divided into ten Divisions, which are sub-divided into Districts. There are 39 districts all told. Each District is responsible for about ten individual stations, of which about half are manned by regular Coastguards i.e. members of H.M. Coastguard and the other half by (part-time) Auxiliary Coastguards.

*April, 1969*

## APPENDIX A TO CHAPTER 2

### BOARD OF TRADE REGIONAL STAFF

#### Group I General Regional Offices

<i>Region</i>	<i>Administrative and Executive</i>	<i>Professional</i>	<i>Supporting</i>	<i>Total</i>
Northern	25	3	35	63
Yorkshire & Humberside	21	3	26	50
Eastern	32	3	26	61
London and South East	40	3	43	86
South Western	18	3	34	55
Midland	45	5	60	110
North Western	32	4	74	110
Office for Scotland	43	5	76	124
Office for Wales	26	3	31	60

#### Group II Specialist Offices

##### Investment Grants Offices

	<i>Executive</i>	<i>Supporting</i>	<i>Total</i>
Billingham	102	30	132
Bootle	102	27	129
Cardiff	206	63	269
Glasgow	75	25	100
Southend-on-Sea	249	67	316

#### *Export Credits Guarantee Department*

The staff of the E.C.G.D. Regional Offices totals 204. The larger regional offices are managed by an S.E.O. and have on average some 10 executive and some 10 supporting staff; the smaller regional and area offices are managed by an H.E.O., and may have some three executive and three supporting staff.

#### *Official Receivers' Service*

The staff of an average district office of the Official Receivers' Service is likely to consist of eight specialists, one executive officer and 25 supporting staff.

#### *Marine Division*

##### *Marine Survey Offices*

Each of the nine Marine Survey districts is in the charge of a Principal Officer (a professional grade). The district and sub-district offices are also headed by professional staff. A typical District Office might have some ten surveyors with supporting staff as necessary.

##### *Mercantile Marine Offices*

At present there are 21 offices, but two will be closed by the end of May. The total staff of these 21 offices is 203, 96 of which are executive and the remainder supporting staff.



### *Food Inspectorate Offices*

The average office is likely to have two or three inspectors with supporting staff.

### *H.M. Coastguard*

The grades and number of staff in H.M. Coastguard are:

Chief Inspector	1
Deputy Chief Inspector	1
Inspector	10
District Officer	31
Station Officer	98
Coastguardsman	382

The regular coastguard is assisted by about 7,000 volunteers in the Coastguard Auxiliary Service.

### *Civil Aviation*

		<i>Southern Division</i>	<i>Northern Division</i>	<i>Scottish Division</i>
Divisional Controller	Assistant Secretary	1		
Divisional Controller	Director of Operations		1	
Controller	Director of Operations			1
D.O.O.	Deputy Director	3	3	3
D.A.T.C.O.	Deputy Director			
D.T.O.	Deputy Director			
D.A.O.	S.E.O.	1	1	1
Economic Planning & Advisory Committees		1 (S.E.O.)	1 (O.O.1)	
<i>Other Professional Staff</i>				
Operations Officers		10	6	4
Air Traffic Control Officers		7	5	3
Telecommunications Officers	(Professional)	7	5	5
	(Technical)	17	8	12
Costings & Trading Accounts	Accountants	2	1	1
M.P.B.W.	D.W.O. (on attachment)	1		
Fire Service		2	2	2
Motor Transport		1		2
Administration Staff		96	59	59
Totals		149	92	93

# APPENDIX B TO CHAPTER 2

## BOARD OF TRADE REGIONAL BOUNDARIES



## CHAPTER 3

### DEPARTMENT OF EMPLOYMENT AND PRODUCTIVITY

#### **The Work of the Department**

1. Regional organisation is called for in respect of almost all the Department's functions, more particularly employment services (including Youth Employment and Disabled Persons); industrial relations (including enforcement of the Wages Councils Acts); manpower and productivity service; training and industrial rehabilitation; selective employment payments; Regional planning; H.M. Factory Inspectorate; and for agency work in respect of unemployment benefit and supplementary allowances; and passports.

2. Regional Offices are situated in Newcastle, Leeds, London (two), Bristol, Cardiff, Birmingham, Manchester, Edinburgh. They are concerned with all the functions listed in para. 1 except that of H.M. Factory Inspectorate.

3. A network of some 900 local offices reporting to regional offices covers the whole country. The largest are managed by C.E.O.'s and the smallest by E.O.'s.

4. The outstationed organisation of H.M. Factory Inspectorate is different. There are thirteen Divisional Offices at Newcastle, Leeds, Sheffield, Nottingham, London (three), Bristol, Cardiff, Birmingham, Liverpool, Manchester and Glasgow, and a hundred District Offices reporting to them.

5. Although local and regional functions may apply in different ways to employers and workers, to the able-bodied and disabled, and so on, they are not generally related to defined classes of the community.

#### **Case-Work Decisions**

6. Most of the functions have a substantial case-work element – for example, placing an individual in employment; deciding on his right to benefit; deciding on eligibility to selective employment tax. Most matters relating to individuals start at local office level. Original decisions are normally taken on the spot and cases of difficulty or inability to reach agreement move from local office to regional office and thence to Headquarters, as necessary.

7. The local or regional contribution to a matter forwarded to Headquarters for decision normally consists of supply of information and evidence together with the reason why it has not been possible to reach a decision locally or regionally, and an expression of opinion.

#### **Contributions to Policy Decisions**

8. Regions contribute to decisions on general policy by supply of information and opinion. Decisions on general policy affecting regions are normally taken after discussion with Regional Controllers at their regional conference.

9. The work of the Department generally does not lend itself to the kind of policy decision that would affect only one region or area, but the Regional Controllers play an important part, through the Economic Planning Boards and Councils, in the formulation of regional economic strategy. The Controllers in Scotland and Wales have terms of reference similar to those in England but are also called upon to give advice on relevant matters to the Scottish and Welsh Offices respectively.

## Youth Employment Service

10. The operation of the Youth Employment Service poses problems. It is controlled by the Central Youth Employment Executive at Headquarters but it is operated in most parts of the country by local education authorities and in the rest by the Department. Where it is operated by local education authorities, they are, of course, bound to take account of local views. Where it is operated by the Department, the line followed is the same as that for other work. Regional offices of the Department have no direct control over the work of local education authorities but the Executive has a representative in each Region who acts as a liaison officer and adviser. The somewhat different education system in Scotland means that there may be differences there in the operation of the service. The CYEE representative in Edinburgh has no powers to modify arrangements but his advice is normally acceptable to the CYEE.

## Consultation with Committees and Outside bodies

11. The nature of much of the Department's work in the regions requires day-to-day consultation between officials and outside bodies and individuals. In addition, more formal consultation takes place through such bodies as Local Employment Committees (L.E.C.'s) and Disablement Advisory Committees (D.A.C.'s). The function of L.E.C.'s, each of which covers the area of a number of employment exchanges, is to ensure that local knowledge is fully available to the Department and to bring the exchanges into close touch with employers and workpeople. The D.A.C.'s have certain executive functions as well as a general responsibility for giving advice on the re-settlement of disabled persons.

## Regional Structure

12. Regional boundaries differ from those of the economic planning regions in some cases. The D.E.P. regions are:

- (1) *Northern:* Northumberland, Durham, Cumberland, Westmorland, North Riding of Yorkshire.
- (2) *Yorks. and Humberside:* East and West Ridings, Lincoln.
- (3) *Eastern and Southern:* Norfolk, Suffolk, Essex, Cambridge, Huntingdon, Bedford, Hertford, Bucks., Berks., Oxfordshire, Hants.
- (4) *London and South Eastern:* London and Counties to S.E. of 3.
- (5) *South Western:* Gloucester, Wilts., and Dorset and counties to S.W.
- (6) *Wales:* Wales and Monmouthshire.
- (7) *North Western:* Lancashire and Cheshire.
- (8) *Midlands:* England other than as under 1, 2, 3, 4, 5 and 7.
- (9) *Scotland:* Scotland.

## Regional Staff

13. The grades and numbers of staff (excluding H.M. Factory Inspectorate and shorthand typists, typists and messengers) in regional and local offices are:

Grade	Regional Offices	Local Offices
Assistant Secretaries	9	—
P.E.O.	1	—
Grade 1 (S.C.E.O.)	10	—
Grade 2 (C.E.O.)	38	8
Grade 3 (approx. S.E.O.)	131	118
Grade 4 (approx. H.E.O.)	302	584
Cadets	7	13
Grade 5 (E.O.)	654	3,053
Grade 6 (C.O.)	471	8,502
Grade 7 (C.A.)	87	1,570

April, 1969

## CHAPTER 4

### MINISTRY OF TECHNOLOGY

#### The Work of the Ministry

1. The parts of the work of the Ministry which call for a regional organisation are as follows:

- (a) Responsibility for the Government's relationships with the engineering, aerospace, shipbuilding and vehicles industries; and for fostering their technological and economic strength.
- (b) A general responsibility for fostering technical advance, productivity services, quality assurance, metrication, strengthening the engineering profession, etc.
- (c) Contributing to the work of Regional Economic Planning Councils and Boards from its knowledge, nationally and locally, of the industries that it sponsors.
- (d) The procurement of aircraft, aero-engines, guided weapons and electronic equipment for the Armed Services.

#### Need for Regional Offices

2. The work described in 1 (a), (b) and (c) necessitates continuous and direct contact with the decision-making levels of industrial concerns. To some extent this is effected by staff from the Ministry's HQ organisation; but the greater part of the task falls to personnel based in offices located in the economic planning regions, to minimise travel time and to ensure that regional and local considerations are taken into account. The offices are situated in Edinburgh, Cardiff, Birmingham, Bristol, Leeds, Newcastle, Nottingham, Manchester and London. As regards the procurement work referred to in 1 (d), the main local offices are those of the Quality Assurance Division responsible for the inspection of the equipment and the Directorate of Technical Costs which assists in the fixing of fair and reasonable contract prices. The work of the Quality Assurance Division is largely controlled centrally, but it has 24 district offices to assist with control of inspection activities in the smaller firms. The Directorate of Technical Costs maintains four district offices as a base from which some of its officers working in the premises of contractors operate. In both these cases the work is not relevant to the interests of the Commission on the Constitution, and no further reference is made to it in this paper.

#### Functions

3. The Ministry of Technology's regional offices have no regulatory functions. Their main tasks are:

- (a) to provide a service to industry in assisting firms to identify opportunities for technological advance and increased efficiency, and to make full use for this purpose of the resources of the Ministry, including the research and development establishments and the productivity services, and of other departments and organisations. This work is principally focussed on the medium to large firms which have their own technical and research and development staff;
- (b) to co-ordinate the work of Industrial Liaison Officers (ILO's) located in colleges of technology and technological universities. ILOs are college employees, although two-thirds of their total running expenses are paid by Mintech. They provide an information service to the smaller, unsophisticated firms in their area. The regional offices also suggest where additional ILOs should be located. Discussions are then held centrally with DES, who make the official approach to college governing bodies or Directors of Education;

- (c) to advise the Board of Trade on i.d.c. applications (and in certain circumstances o.d.p. applications) relating to Mintech-sponsored industries, and on investment grant applications relating to prototypes. In all these cases the final decision is made by the Board of Trade;
- (d) to collect for Mintech HQ Branches data on industry, either during general visiting or by means of specific surveys at HQ request, and to seek the views of industry on regional and national matters which affect their operations. These data and views contribute to the information on which general policy decisions on programmes of action are made by the Ministry. Such programmes are normally national in character and do not relate to action in a specific region.;
- (e) as indicated above, to contribute to the work of Regional Economic Planning Councils and Boards.

### Scotland, Wales and Northern Ireland

4. The Ministry's offices in Scotland (Edinburgh) and Wales (Cardiff) have similar terms of reference to those in England and their work directed towards industry is basically identical. In addition they are called upon to give advice on industrial and related matters by the Scottish Office and the Welsh Office respectively. Thus they make a more direct contribution to policy decisions in Scotland and Wales than the regional offices in England where such demands only arise through the Economic Planning Councils and Boards.

5. The Ministry is responsible in Northern Ireland for the United Kingdom Government's relationships with the industries referred to in paragraph 1 (a) above, as in the rest of the United Kingdom, and most of its information, advisory and research services are available also to industry in Northern Ireland. It does not however maintain an office in Belfast.

### Staffing

6. The regional offices are staffed, in the main, by professionally-qualified scientists and engineers, each office being headed by an SPSO as Senior Regional Officer. Staff of this level are required to win the confidence of industry. The total approved complement of the regional offices at 1/2/69 was 60 professional and experimental grades with 43 supporting staff of executive, clerical and typing grades. They are allocated as follows:

<i>Region</i>	<i>Professional and Experimental Grades</i>	<i>Supporting Staff</i>
Scotland	6	5
Wales and Monmouthshire	5	4
Northern	5	4
North West	8	5
Yorkshire and Humberside	6	4
East Midlands	4	5
West Midlands	8	5
South West	6	4
South East and East Anglia	12	7

### Boundaries

7. The boundaries of the standard economic planning regions are used by the Ministry of Technology, the South East and East Anglia regions being covered by one regional office, in London.

May, 1969

## CHAPTER 5

### MINISTRY OF AGRICULTURE, FISHERIES AND FOOD

#### The Work of the Ministry

1. The Ministry's functions and services for agriculture, horticulture, and food demand frequent and close contacts between the Department and individual farmers, local authorities, and representatives of the agricultural, horticultural, fisheries and food industries. In order to ensure the smooth running of the Department's affairs, as well as maintaining these contacts, the Ministry has developed an extensive and closely knit regional and divisional organisation.

2. Wales is a separate unit, and England is divided into 7 regions. Within the regional organisation there are 31 divisions – 26 in England and 5 in Wales. The location of the offices and the areas they cover are given in Appendix A.

3. The functions of the regional and divisional organisation can be summarised as follows:

- (a) To ensure a wide understanding of the policies being followed and the services available, and to provide Headquarters with information and advice necessary for policy formulation and decisions, acting over a wide part of this field through the County Agricultural Executive Committees and their District Committees (see para 6.).
- (b) To maintain liaison with the regional offices of other Government departments and with other regional and local authorities to ensure a proper balance in the consideration of matters of common concern.
- (c) To ensure that effective plans are prepared for defence, civil and other emergencies, and to implement them as necessary.
- (d) To administer and enforce a number of statutory requirements, e.g.
  - (i) Milk and Dairies Regulations; Slaughterhouse Regulations; supervision of technical standards of meat inspection; grant-aid for rodent control.
  - (ii) Compulsory grading of horticultural produce at wholesale markets.
  - (iii) Safety Regulations and compliance with the Agricultural Wages Act.
- (e) To administer the grant and subsidy schemes for agriculture.
- (f) To improve the productivity of agriculture and horticulture through the provision of advice.
- (g) To provide a service for the control of certain animal diseases and for the welfare of farm livestock.

4. Because of these wide responsibilities the organisation of the Ministry's technical service is based on the regional and divisional structure with the few exceptions where the nature of the work renders this inappropriate, e.g. fisheries inspectorate. In each region there is in addition to the Regional Controller a Regional Director of the N.A.A.S., a Regional Land Commissioner of the Land Service, and a Regional Veterinary Officer.

5. The Regional Controller is the Ministry's only administrative officer in his region and is responsible for the general administration of his region and for the co-ordination of the professional, scientific and technical staffs in the region, and for ensuring that these staffs are provided with the necessary clerical and other ancillary support. The Regional Controller explains the Ministry's policy within the region; settles a wide variety of the more difficult cases originating in Divisional Offices, thus obviating references to Ministry Head-

quarters, and is the focal point for the collection of local views and information for transmission to Headquarters. A large part of the Regional Controller's responsibility is discharged through the Divisional Offices in charge of a Divisional Executive Officer. The Regional Controller and the Divisional Executive Officers maintain particularly close association with the statutory County Agricultural Executive Committees, the purely executive responsibilities of which are now very limited, and seek the advice of committees on particularly difficult grants and subsidy cases.

6. A County Agricultural Executive Committee is constituted under the Agriculture Act 1947. It has a total of twelve members, all appointed by the Minister who also selects the chairman and deputy chairman (in Wales he acts jointly with the Secretary of State for Wales). One third of the members retire every year being eligible for reappointment. Members are drawn from lists submitted by persons representing the interests of:

- (a) the farmers (three members)
- (b) workers employed in agriculture (two members)
- (c) owners of agricultural land (two members)

and five members appointed direct by the Minister, one of whom must be a member of the council of the county for which the Committee is established. The work of the Committee is concerned with the whole of the industry's needs and the Ministry's functions—the main areas in which they work cover:

- (d) the promotion of technical development;
- (e) advice and assistance in relation to local problems;
- (f) advice on difficult and doubtful grant or subsidy cases;
- (g) advice on policy development and its local application;
- (h) certain statutory and executive work.

7. The Regional Controller is graded Assistant Secretary and is *primus inter pares* with the regional heads of the main technical services. The Divisional Executive Officer is graded C.E.O. The total Ministry staff in the regional and divisional organisation is about 10,100, including about 600 industrials and comprising:

- (a) Administrative, executive, clerical and common services.
- (b) State Veterinary Service.
- (c) A.L.S.
- (d) N.A.A.S.
- (e) Other professional and technical staff.

The Department's regional staff are allocated as follows:

Regions	Administrative, Executive and Clerical grades	Professional, scientific, technical and support staff	Industrial grades
Eastern	735	702	87
East Midland	457	448	46
Northern	482	443	26
South Eastern	609	747	149
South Western	772	733	42
West Midland	511	533	68
Yorkshire/Lancashire	495	519	121
Wales	636	678	74



8. The Ministry's regions follow the standard regions previously used by the Home Office for Civil Defence, because of the important part the Department would have to play in feeding the population in an emergency. This means that there is some deviation from the standard economic planning regions, and it has been necessary to make administrative arrangements to ensure that the Ministry's Regional Controller deals only with one Economic Planning Board Chairman (the senior D.E.A. official in the region) on the economic planning side. A map of the MAFF Regional Organisation is attached as Appendix B.

### **Wales**

9. Under the Transfer of Functions (Wales) Order (No. 388), the Minister of Agriculture, Fisheries and Food shares with the Secretary of State for Wales, from the 1st April 1969, his responsibility for working out agricultural policy and for the administration of agricultural affairs in Wales.

10. The expenditure on agriculture will continue to be borne on the Votes of the Ministry of Agriculture, Fisheries and Food, and the Secretary of State for Wales will be serviced by the Ministry's staff—and, in particular, by the Welsh Department located at Aberystwyth. This is in charge of the Welsh Secretary who is the Minister's Chief Officer in Wales (at Under Secretary level) and who has the special responsibility of advising the Minister and the Secretary of State on all Welsh aspects of agricultural policy and of representing the agricultural viewpoint to other Departments in the Principality. In addition, the Welsh Secretary carries out the duties of a Regional Controller and the Heads of the Technical Services in Wales look to him for the co-ordination of their work.

*April, 1969*

# APPENDIX A to CHAPTER 5

## MINISTRY OF AGRICULTURE, FISHERIES AND FOOD

### List of Regional and Divisional Offices

<i>Regional Offices</i>	<i>Divisional Offices</i>	<i>Counties covered by Divisional Offices</i>
<b>Eastern</b> (Cambridge)	Bury St. Edmunds Chelmsford Huntingdon	Suffolk, East and West. Essex, Hertfordshire. Bedfordshire, Huntingdon, (Lincs. (Holland)). Cambridgeshire.
<b>East Midland</b> (Nottingham)	March Norwich Lincoln  Northampton	Norfolk. Lincs. (Kesteven) and Lincs. (Lindsey). Leicestershire, Northamptonshire and Rutland.
<b>Northern</b> (Newcastle-upon- Tyne)	Nottingham Alnwick Carlisle Durham Northallerton	Derbyshire and Nottinghamshire. Northumberland. Cumberland and Westmorland. County Durham.
<b>South Eastern</b> (Reading)	Northallerton Guildford	Yorks. (North Riding). Surrey, Sussex (East) Sussex (West).
<b>South Western</b> (Bristol)	Maidstone Oxford Winchester Exeter Gloucester Taunton Truro	Kent. Berks., Bucks., Oxon. Hampshire, Isle of Wight. Devon. Gloucestershire and Wiltshire. Dorset and Somerset.
<b>West Midland</b> (Wolverhampton)	Crewe Shrewsbury Worcester	Cornwall, Isles of Scilly. Cheshire, Staffs. Shropshire.
<b>Yorkshire/Lancashire</b> (Leeds)	Beverley Harrogate Preston	Hereford, Warwick, Worcester. Yorks (East Riding). Yorks (West Riding). Lancashire.
<b>Welsh Department</b> (Aberystwyth)	Caernarvon Cardiff Carmarthen Llandrindod Wells Ruthin	Anglesey, Caernarvon, Merioneth. Glamorgan, Monmouth. Carmarthen, Cardigan, Pembroke. Brecon, Radnor, Montgomery. Denbigh, Flint.

# APPENDIX B TO CHAPTER 5

## M.A.F.F. REGIONAL ORGANISATION



## CHAPTER 6

### MINISTRY OF TRANSPORT

#### The Work of the Ministry

1. The parts of the work of the Ministry of Transport which call for regional organisation are:

- (i) In England, Wales and Scotland, that which relates to the licensing systems governing the carriage of passengers and goods by road, together with certain functions associated therewith for administrative convenience and efficiency. (See paragraphs 2-7 below); and
- (ii) In England, work concerned with the construction, improvement and maintenance of roads; the regulation and management of road traffic; and related subjects. (See paragraphs 8-12 below). In Scotland and Wales these functions are the responsibility of the respective Secretary of State.

Over the years, decentralised organisation has been developed and adapted as appropriate to changing needs—starting with Divisional Road Engineers in the 1920s; then road transport licensing authorities in the 1930s; and, in the 1960s, Road Construction Units and special arrangements for Ministry of Transport participation in the work of the Regional Economic Planning Boards and associated bodies (paragraph 18 below).

#### Road Transport—Traffic Area Organisation

2. Under Acts of Parliament of 1930 and 1933, Great Britain is divided into 11 “traffic areas” (see map at Appendix A attached), each apart from London—having on the one hand, Traffic Commissioners appointed by the Minister of Transport to license road passenger services, together with the “public service” vehicles used therefor and their drivers and conductors, and, on the other hand, a road haulage Licensing Authority, who is, in practice, the same person as the Chairman of the Traffic Commissioners. In London (the Metropolitan Traffic Area), a single individual is the licensing authority for both the passenger and the goods transport licensing systems.

3. The licensing authorities exercise their judicial functions on their own statutory authority, and the Minister of Transport has no control over their decisions. He is responsible to Parliament for the general administration of the relevant statutes, and has a narrowly defined and rarely exercised power to issue “general directions” to the licensing authorities. Appeals against their decisions fall to be determined by the Transport Tribunal or the Minister.

4. The supporting organisation of the licensing authorities comprises, in each area, a traffic area office, and out-stationed staff at numerous local centres for such purposes as the examination and testing of vehicles for compliance with technical requirements specified in Regulations made by the Minister of Transport. The traffic area offices also carry out certain functions in connection with various tests under delegation from the Minister, including administrative arrangements for the various driving tests. They also serve the Chairmen of Traffic Commissioners in connection with the role which, because of their association with the bus and goods transport industries, they perform under delegated authority as Regional Transport Commissioners at times of civil emergency.

5. The traffic area offices are located at Newcastle, Leeds, Nottingham, Cambridge, London, Eastbourne, Bristol, Birmingham, Manchester, Cardiff and Edinburgh, with a sub-office at Aberdeen.

6. The Chairman of Traffic Commissioners and Licensing Authority is of Assistant Secretary rank. Staff numbers, including out-stationed elements, vary widely, as indicated in Appendix D.

7. Traffic Area boundaries differ from those of the economic planning regions except in South West England, the West Midlands and Scotland.

### **Highways—Divisional Road Engineer Organisation and Road Construction Units**

8. The Minister of Transport is the highway authority for the major road network ("trunk roads" which include the inter-urban motorway system) in England. In this connection he has appointed 44 county councils and some 150 other local authorities as his agents for carrying out maintenance work. Many of these agent authorities also design new trunk road construction and improvement schemes costing up to £1m., and supervise their construction. For other roads, local councils are the highway authorities, but the Minister of Transport gives them guidance and, in respect of the most important of them ("principal roads"), makes grants towards their expenditure on approved schemes for their construction or improvement.

9. Divisional Road Engineers are the Minister of Transport's link with the local authorities in highway matters. Each is responsible for one of nine areas into which the country (other than the area of the Greater London Council, as regards which the Ministry of Transport Headquarters works directly with the GLC) is divided for this purpose (see map at Appendix B). The functions of the Divisional Road Engineers include, in particular:

- (i) The processing of road schemes for the construction or improvement of trunk roads—except that Road Construction Units (see paragraph 12) are responsible for schemes costing over £1m.—and the supervision of trunk road maintenance.
- (ii) The examination for grant of local authority schemes for the construction or improvement of "principal roads".
- (iii) The control of development along trunk roads and examination, in association with the regional staff of the Ministry of Housing and Local Government, of the transport, highway engineering and traffic aspects of development plans.
- (iv) Advising local authorities as regards traffic management, parking and the engineering aspects of road safety.

The organisation acts under delegation from the Minister, within limits re-defined from time to time to suit changing circumstances. The DREs have varying degrees of responsibility for acting on their own authority for schemes costing up to £100,000, £250,000 or £1 million. Their functions as regards traffic regulation have varied recently as a result of the Transport Act 1968, which devolved greater responsibilities on local authorities in certain respects, subject to reserve powers for the Minister.

10. DREs have the rank of Assistant Chief Engineer. The staff of a DRE's office totals about 60, divided roughly equally between (i) professional and technical grades and (ii) executive, clerical and ancillary grades (see Appendix D).

11. The boundaries of the DRE areas coincide with those of the Economic Planning Regions, except East Anglia and the South East and South West Regions. DRE offices are located at Newcastle, Leeds, Nottingham, Bedford, Guildford, Exeter, Cheltenham, Birmingham and Manchester.

12. In 1967 the Minister decided to set up six Road Construction Units and assign to them responsibility for the preparation and design of trunk road and motorway schemes costing more than £1m. and for supervising the construction work on these schemes. Much of this work had previously been undertaken by the County Councils acting as agents of the Ministry and some 17 of these Councils were invited to join with the Ministry in the setting up of the Units. The areas for which the six Units are responsible are shown on the map at Appendix C—in general they differ from the economic planning regions and have been determined by the need to provide an economic work-load for each Unit. The Director of each Unit is a Deputy Chief Engineer, and his Headquarters staff (drawn jointly from the Ministry and the participating County Councils) numbers between 50 and 80. The RCU offices are at Harrogate, Bedford, Dorking, Taunton, Leamington Spa and Preston. Each RCU operates through 2 or 3 Sub-Units, of which the County Surveyor acts (part-time) as Chief Engineer under the overall control of the Director: staff numbers in each Sub-Unit are about 100.

### **General**

13. For the above-mentioned decentralised organisations there are, of course, complementary elements at Ministry of Transport Headquarters dealing on broad lines with the same subject, alongside staff responsible for other transport matters. Relevant Ministry of Transport subjects not handled by a regional organisation are briefly reviewed below. They relate largely to the nationalised transport undertakings (except the Scottish Transport Group, for which the Secretary of State for Scotland is the supervising Minister) in the context of the Minister of Transport's general responsibility for surface transport and ports throughout Britain. Consultation with local opinion is, of course, achieved in many other ways in addition to the regional organisation, e.g. through the statutory requirements for receiving representations concerning road schemes, or the Area Transport Users Consultative Committees in regard to certain nationalised transport services.

### *Nationalised Transport*

14. The British Railways Board (BRB), National Freight Corporation (NFC), National Bus Company, British Waterways Board (BWB), British Transport Docks Board and the London Transport Board, all of whose members are appointed by the Minister, are autonomous in matters of day-to-day management, but subject to power of the Minister to give them general directions in the national interest, or specific directions consequent on formal recommendation from an associated statutory consultative body (The Central Transport Consultative Committee, The Scottish and Welsh Transport Users Consultative Committees or Freight Integration Council, as appropriate) and to certain specific controls. These controls affect, in particular, activities that may be undertaken; lines of research, acquisition of land; capital investment and (in the case of the BRB and the NFC) organisation, and the transfer of functions and assets between them. In certain circumstances, railway passenger services may be withdrawn and stations closed only with the Minister's consent and subject to any conditions he may prescribe or directions he may give to the Railways Board, the London Board or the National Bus Company. In Scotland, any direction to the Scottish Transport Group is a matter for the Secretary of State.

### *Miscellaneous Grants*

15. Under new powers conferred by the Transport Act, 1968, the Minister of Transport may now make grants to BRB for the provision of uneconomic

but socially necessary services for passengers; to BRB and NFC to compensate for certain temporary burdens; to the BWB; to bus operators for providing new vehicles of approved types; to anyone for transport research and development; and, in England, (in Scotland and Wales the following powers are exercised by the appropriate Secretary of State), towards capital expenditure by anyone on the provision, improvement or development of facilities for public passenger transport ("infrastructure grants"), and towards expenditure by local authorities on rural bus or ferry services.

### *Ports*

16. Functions of the Minister in relation to commercial ports include approval of development plans and provision for re-organisation; authorisation of Exchequer grants and loans; and licensing of port employers. On matters of port improvement, maintenance and management, the Minister is advised by the National Ports Council, which itself has a statutory duty to formulate a national plan for the development of harbours in Great Britain and to promote efficiency in their functioning.

(Note: As regards ports, the present is a time of transition towards new arrangements, the Government having announced the intention to introduce legislation providing for, among other changes, the National Ports Council and the British Transport Docks Board to be superseded by a National Ports Authority. Modification of the above-mentioned ports functions of the Ministry of Transport will be entailed).

### *Road Safety*

17. For certain parts of England there are Road Safety Units, responsible to Ministry of Transport Headquarters for studying the pattern and causes of road accidents in their areas, for suggesting remedial measures and, in conjunction with the local authorities and the police, for promoting plans accordingly. Their areas of operation which do not cover the whole country and are not planned to do so, have been determined according to where the greatest benefit may be expected from their work, and have no relation to regional boundaries for other purposes.

### **Regional Economic Planning**

18. In order that the whole range of relevant Ministry of Transport affairs may be covered, as a matter of course, in the proceedings of the regional economic planning bodies, the Department is represented on each Regional Economic Planning Board (a) by an Assistant Secretary from; for the one case, a South East Planning Division (at Ministry of Transport headquarters) and, for the rest a Group of Regional Development Divisions, two of which, covering general policy and Scotland, and the eastern part of England, are based at the Ministry's Headquarters in London; the third, covering Wales and the West, is based at Bristol; (b) in England, by the Divisional Road Engineer (in the South West Region, two DREs are territorially concerned, and both participate; in the South East Region a Superintending Engineer from Ministry Headquarters substitutes for the three DREs concerned and for the London Divisions of the Department). In view of the DRE organisation in England it has also been found convenient, in most regions, to have a deputy to the responsible Regional Development Assistant Secretary, at Chief Executive Officer level, stationed at the DRE's office, who deputises also for the DRE, when required, in respect of his regional economic planning duties. The allocation of staff in the regions is shown at Appendix D.

19. The introduction of these arrangements supplemented the Ministry's existing ways of consulting local opinions and interests, and facilitated consideration of the relationship between transport and the fields of activity for which other Departments are responsible.

*April, 1969*





MINISTRY OF TRANSPORT  
ROAD ENGINEERING DIVISIONS

## ● Divisional Road Engineer Offices



**APPENDIX C TO CHAPTER 6**  
**MINISTRY OF TRANSPORT**  
**ROAD CONSTRUCTION UNIT AREAS**



## APPENDIX D TO CHAPTER 6

### MINISTRY OF TRANSPORT STAFFING OF REGIONAL ORGANISATION

#### 1. TRAFFIC AREAS. (See map at Appendix A)

<i>Traffic Area</i>	<i>Staff</i>			
	<i>Professional &amp; Technical</i>	<i>Executive &amp; Clerical</i>	<i>Industrial</i>	<i>Total</i>
Northern	126	78	20	224
Yorkshire	196	117	45	358
North Western	291	196	57	544
West Midland	220	135	41	396
East Midland	209	122	48	379
Eastern	137	88	25	250
South Wales	111	71	14	196
Western	181	104	38	323
South Eastern	201	117	30	348
Metropolitan	460	1,305	61	1,824
Scottish	208	137	34	379
Total	2,340	2,470	413	5,221

#### 2. ROAD ENGINEERING DIVISIONS (See map at Appendix B)

<i>Division</i>	<i>Staff</i>		
	<i>Professional &amp; Technical</i>	<i>Executive &amp; Clerical</i>	<i>Total</i>
Northern	30	35	65
Yorkshire & Humberside	25	35	60
North Western	26	47	73
West Midland	28	44	72
East Midland	25	36	61
South Midland	24	32	56
Eastern	27	43	70
South Eastern	31	53	84
South Western	22	28	50
Total	238	353	691

#### 3. ROAD CONSTRUCTION UNIT AREAS (See map at Appendix C)

Area	Staff				Total	
	Professional & Technical		Executive & Clerical			
	Ministry	Local Authority	Ministry	Local Authority	Ministry	Local Authority
North Eastern	12	129	6	91	18	220
North Western	5	264	7	253	12	517
Midland	9	106	5	94	14	200
South Eastern	16	163	7	113	23	276
South Western	8	80	5	94	13	174
Eastern	11	105	7	84	18	189
Total	61	847	37	729	98	1,576

## CHAPTER 7

### MINISTRY OF POWER

#### **The Work of the Ministry**

1. The Ministry of Fuel and Power Act 1945 charges the Minister of Power with the general duty of "promoting economy and efficiency in the supply, distribution, use and consumption of fuel and power, whether produced in Great Britain or not". The Ministry is the parent department for the National Coal Board, the nationalised gas industry, the nationalised electricity industry in England and Wales and the British Steel Corporation. It also has sponsorship responsibilities for the privately owned oil industry and the private sector of the iron and steel industry.

2. The Ministry has a Scottish Headquarters in Edinburgh, an Office for Wales in Cardiff and an office for the Northern Economic Planning Region in Newcastle-upon-Tyne.

3. The Scottish Headquarters is in the charge of a Senior Scottish Officer (Assistant Secretary) with a staff of 11. Its main functions are to keep the Minister and Department in London regularly and closely informed on Scottish matters; to work closely with the Scottish Departments and the Scottish Offices of the Great Britain Departments; and to keep in close touch with the Ministry of Power industries in Scotland. The Senior Scottish Officer is also responsible for all matters relating to the Northern Economic Planning Region. The office in Newcastle is in the charge of a Principal reporting to the Senior Scottish Officer.

4. The Office for Wales is in the charge of a Senior Officer for Wales (Assistant Secretary) with a staff of 9. The Office's functions are similar to those of the Scottish Headquarters. The Senior Officer for Wales is also responsible for all matters relating to the South West Economic Planning Region.

5. The Senior Scottish Officer or his deputy regularly attends meetings of the Scottish and the Northern Economic Planning Boards and meetings of the Economic Planning Councils as necessary. The Senior Officer for Wales or his deputy similarly regularly attends meetings of the Welsh and the South West Economic Planning Boards and of the Councils as necessary. Meetings of the North West Economic Planning Board and Council are covered by the Newcastle office. As regards other English Regions, it is the normal practice for an official from Ministry Headquarters to attend meetings of the Economic Planning Boards and of the Councils as necessary.

6. The Mines and Quarries Inspectorate of the Ministry has Divisions in mining localities; the Ministry has examiners throughout the country for the testing of gas, and gas and electricity meters; the Safety in Mines Research Establishment is at Sheffield and Buxton. But none of these forms part of any regional organisation.

7. The regional organisation of the Ministry's nationalised industries is dealt with in the Ministry's paper on the industries.

*April, 1969*

## MINISTRY OF HOUSING AND LOCAL GOVERNMENT

**The Work of the Ministry**

1. The main functions of the Ministry of Housing and Local Government can be grouped under four main heads: physical planning, housing, the organisation and finance of local government, and a set of miscellaneous local government functions, most of which are related to environmental public health (water supply, sewerage, refuse disposal, clean air, etc.). These responsibilities are almost all confined to England. The Department has ultimate responsibility in these fields but does not provide any of the services directly; executive action is in the hands of local authorities who operate with considerable local discretion but within broad national policies and (at many points) subject to Ministerial approval.

2. The Ministry is also the parent Department for a number of bodies with separate responsibilities including the Countryside Commission, the Land Commission, the Commission for the New Towns, and the Water Resources Board. The Minister acts jointly with the Secretary of State in exercising certain functions in relation to these organisations.

**Local and Regional Offices**

3. Local offices at a number of points throughout the country are used by Rent Assessment Panels, Rent Tribunals, Valuation Panels, the Alkali Inspectorate and by District Audit, but none of these functions operate by reference to the generally recognised regions. The Land Commission has its Headquarters in Newcastle and has an office in each region as well as the ones in Scotland and Wales.

4. Most of the Ministry's dealings with local authorities are carried out direct from headquarters, but the Department's work is related to the present Economic Planning Regions for some executive purposes chiefly connected with housing and for certain functions of a co-ordinating and advisory nature in connection with economic and land use planning.

5. Regional offices are maintained by the Ministry in the following centres and have jurisdiction within the Economic Planning Regions named:

- Newcastle upon Tyne (Northern Region)
- Leeds (Yorkshire and Humberside Region)
- Nottingham (East Midlands Region)
- Bristol (South West Region)
- Birmingham (West Midlands Region)
- Manchester (North West Region)

The functions performed at the regional offices are, in respect of the South East and East Anglia regions, undertaken by officers in the Headquarters Divisions of the Ministry in London.

**Work of the Regional Offices**

6. In more detail the functions of the six regional offices are:

- (a) to act as the source of professional advice to the Department on physical and environmental planning in the region;
- (b) to advise and generally to help local authorities on measures needed to improve the urban environment, on slum clearance and re-development;

- (c) to deal with certain specific housing matters requiring official approval or sanction, e.g. housing and slum clearance programmes, applications for loan sanction and subsidy approval, the use of industrial building methods, matters relating to house improvements;
- (d) to deal with applications (within a monetary limit) affecting works and grants for derelict land;
- (e) to participate in the work of the Regional Planning Board and Council;
- (f) to maintain a general presence in the region to supplement other contacts between local authorities and the Department and to assist Ministers on tours and visits.

This work is mainly related to decisions concerning the locality which are shared with local authorities or based on their advice but includes contributions to policy decisions taken at Headquarters.

### **Regional Staff**

7. On the staffing side, the complements of the six regional offices provide for a total of about 330 in all grades down to and including messengers; this compares with a total of about 3,100 at Ministry Headquarters, about 1,000 in the other local offices mentioned in para. 3, and 1,200 in the Land Commission offices. The individual regional offices have staffs which range from 42 (in the East Midlands) to 66 (in the Northern Region). The Principal Regional Officer fills an Assistant Secretary post in all cases and is assisted by one or two Principals/C.E.O's. On the professional side the regional offices have a substantial complement of senior officers; each regional office has a Principal Architect and a Principal Planner (Assistant Secretary equivalents), one or more senior grade Quantity Surveyors, a Senior Estates Officer, a Senior Research Officer (Principal /C.E.O. equivalents) with appropriate supporting staff. The staff in the regional offices are allocated as follows:

<i>Region</i>	<i>Professional and Administrative Grades</i>	<i>Supporting Staff</i>
Northern	27	39
North Western	28	35
Yorkshire and Humberside	25	30
East Midlands	20	22
West Midlands	28	32
South Western	20	25

*April, 1969*

## CHAPTER 9

### MINISTRY OF PUBLIC BUILDING AND WORKS

#### The Work of the Ministry

1. The Department provides, furnishes, maintains and manages accommodation for most Government departments. It also provides and maintains (and to some extent furnishes) accommodation and installations required by the Post Office and the Services and certain other services for many Departments, including transport. Requirements for all minor new works, the range of maintenance work, and for some major new works are met by the Ministry's regionally deployed professional, technical, and executive staff, working through contractors or (for maintenance and minor new works) with its own directly employed labour.

#### Sponsorship of the Construction Industry

2. The Minister has a sponsoring interest in the construction industry and the Regional Directors keep in touch with all aspects of the local construction and building materials industries. They also have certain Civil Emergency responsibilities.

#### The Regions

3. The Ministry manages a large estate, continually in need of maintenance, extension, renewal or closure at some point. Proximity to the estate is clearly necessary, and this has led to the development of the Regions. In 1963 the three separate Services works departments merged with the Ministry of Works to form the Ministry of Public Building and Works. A Ministry of Works regional organisation had existed previously, and this expanded to absorb the Services local organisations in one uniform system. Since then the staff has been strengthened at regional level so that they are capable of executing major new works.

4. Regional headquarters are located at:

- (1) South East—Hastings
- (2) Southern—Reading
- (3) South West—Bristol
- (4) Eastern—Cambridge
- (5) Midlands—Birmingham
- (6) North East—Leeds
- (7) North West—Manchester

The Greater London Area is serviced by staff attached to Headquarters and does not form part of a Region. The Regional Director, North West, has responsibilities for some Service establishments in Northern Ireland and has an Area Office there.

5. Scotland has a distinctive H.Q. organisation under an Under-Secretary in Edinburgh. He exercises the Ministry's full delegations in providing accommodation services for civil departments, and acts in concert with Headquarters to meet Ministry of Defence needs. In Wales, the Director for Wales has certain responsibilities in addition to those exercised by an English Regional Director, arising from the existence of the Welsh Office.



6. As from 1st April 1969, in both Scotland and Wales, the policy responsibility for ancient monuments has been transferred to the Scottish and Welsh Offices. The Ministry retains the responsibility for maintenance and custody of ancient monuments, providing an allied service to the Scottish and Welsh Offices. The Director for Wales acts on behalf of the Welsh Office in matters of ancient monuments policy.

7. Regions collect statistics twice a year from all construction industry firms in their areas as required by statute.

8. Generally, professional and technical decisions are taken at regional or local level within the framework of programmes and allocations of money approved at the centre. Expenditure on minor new works (under £20,000) and maintenance is a regional responsibility. Certain major new works are regularly delegated to the region by the centre as a deliberate policy although this depends on prevailing staff and work loads. In the Post Office building programme, for example, regions are responsible for approximately two-thirds of the total number of projects and these amount to about one-third of the total expenditure.

### **Liaison with Headquarters**

9. Regional officers provide information and advice to the centre, when required, for decision-making. Additionally Regional Directors meet the Permanent Secretary in conference every quarter. They also meet each month in London to co-ordinate and communicate their views to Headquarter officers.

10. Each English Regional Director is Chairman of the Regional Joint Committee for the Building and Civil Engineering Industries, meeting quarterly. The RJC's report to the Minister's National Consultative Council, which considers any matters affecting the industries excluding labour rates and conditions of service. Similar arrangements exist in Scotland and Wales. A Building Industries and Materials Unit is attached by the Regional Director to the Economic Planning Board in his Region and the Regional Director is a member of this Board.

### **Staffing and Structure of Regions**

11. Each Region is divided into a small number of Areas, which are further sub-divided into Depots according to work requirements. In Scotland, Wales and the seven English Regions there are 32 Area Offices and 250 Depots.

12. The Regional Director is an Assistant Secretary or equivalent, supported by a Regional Works Officer at Director 'B' level. In Scotland, Wales and the English Regions there are totals of 30 Works Superintending Grade and 141 Works Senior Grade officers. Staff are allocated as follows:

	<i>Admin. &amp; Exec. Grades</i>	<i>Profes- sional Grades</i>	<i>Tech. &amp; D/O Grades</i>	<i>Clerical &amp; other supporting Grades</i>	<i>Total non- industrial Grades</i>	<i>Industrial staff</i>
Scotland	82	154	712	664	1,612	3,211
Wales (inc. Monmouth)	44	57	315	306	722	1,856
S.E. Region	52	81	637	432	1,202	3,808
Southern	59	112	757	471	1,399	3,374
S.W. Region	79	126	845	588	1,638	4,764
Eastern Region	53	82	572	393	1,100	2,692
Midlands Region	70	88	630	479	1,267	2,738
N.E. Region	67	108	624	488	1,287	2,783
N.W. Region	56	76	496	371	999	2,267
	562	884	5,588	4,192	11,226	27,493

### **Regional boundaries**

13. The Ministry's Regions were first established according to the former Civil Defence regions, although operational requirements have since led to minor changes in that pattern. Accordingly there is little resemblance between the regional boundaries and the standard economic planning regions. The map at Appendix A shows the M.P.B.W. regional boundaries.

*April, 1969*

**APPENDIX A TO CHAPTER 9**  
**M.P.B.W. REGIONAL ORGANISATION**



## CHAPTER 10

### DEPARTMENT OF HEALTH AND SOCIAL SECURITY

#### **The work of the Department**

1. The Department of Health and Social Security was created on 1st November 1968 from the former Ministries of Health and of Social Security. Such functions of the two Departments as are delegated, decentralised or dispersed into Regions remain largely unaffected by the merger; and in so far as changes may be made it is not practicable at this stage to specify them. They are, accordingly, dealt with separately below.

#### **Scotland and Wales**

2. The Health and Social Security merger did not extend to Scotland, where the Scottish Home and Health Department continues to function alongside what is effectively the former Ministry of Social Security, which operates in Scotland on broadly the same basis as in an English Region. A similar situation obtains in Wales with effect from 1st April 1969 when Health functions were transferred to the Secretary of State for Wales. Responsibility for War Pensions extends over the whole of the United Kingdom.

#### **Health**

##### *General*

3. The Secretary of State has a duty to promote the establishment in England and Wales of a comprehensive health service designed to secure improvement in the physical and mental health of the people and the prevention, diagnosis and treatment of illness, and for that purpose to provide or secure the effective provision of services. He also has general responsibilities in relation to a large field of social work services, e.g. for the elderly and physically handicapped, and for public health.

##### *Powers of Local Bodies*

4. (a) Local health authorities and local welfare authorities (counties and county boroughs) are statutorily responsible for providing a wide range of personal health and social work services, subject to the Secretary of State's powers in certain respects. County boroughs and, in the counties, district authorities have responsibilities for public health services (control of communicable disease, food hygiene, etc.). Some local authorities have responsibilities for health control at ports and others at airports, either directly under the relevant acts or, in the case of national airports, by delegation from the Secretary of State.

(b) Fifteen Regional Hospital Boards are appointed by the Secretary of State under the N.H.S. Act to administer the hospital and specialist services provided by the Secretary of State; about 330 Hospital Management Committees are appointed by the Boards to control and manage hospitals. Thirty-six Boards of Governors, appointed by the Secretary of State, administer and manage teaching hospitals. These services are financed by central Government and the Boards, etc. are subject to Regulations and to any directions given by the Secretary of State.

(c) About 140 Local Executive Councils, appointed partly by the Secretary of State, partly by the local health authorities and partly by the professions concerned administer the general medical, dental, ophthalmic and pharmaceutical services, provided by doctors, etc. as independent contractors, in accordance with schemes prescribed by the Minister. These services also are centrally financed.

(d) There are special arrangements for the Public Health Laboratory Service.

(e) The Secretary of State is reviewing the administrative structure of the health service, and is considering comments on a Green Paper published in July 1968 on the theme of unified administration. It is not yet possible to say when further proposals will be published.

### *Regional Structure*

5. The regional organisation in England is contained in eight regional offices under Principal Regional Officers (graded between Principal/C.E.O. and S.C.E.O.). The regional officers have no executive functions and act as liaison officers dealing with health and welfare service matters. In collaboration with the Ministry's Medical Nursing and Welfare Officers they maintain close contact with Regional Hospital Boards, Hospital Management Committees, Boards of Governors of teaching hospitals, Executive Councils and local health and welfare authorities for the purpose of exchanging information and keeping the Ministry informed over the whole range of the health and welfare services. They are also Clerks to the Mental Health Review Tribunals.

### *Regional Medical Service*

6. The Regional Medical Service is conducted through six Divisional Medical Offices, each staffed by a Senior Medical Officer, Medical Officers, and a number of clerical and ancillary staff. The medical officers act as liaison officers with general medical practitioners in their areas. There are also medical examination centres within each division throughout England where examinations are conducted and opinions given by Regional Medical Officers in respect of claims by persons for certain social security benefits, e.g. sickness benefit, industrial injury.

### *The Regional Dental Service*

7. The Regional Dental Service is staffed by two Senior Dental Officers, who are each responsible for half the country, with Dental Officers in each Regional Hospital Board area to advise the Minister, the Dental Estimates Board, Executive Councils, Local Dental Committees and dentists on questions connected with estimates submitted or dental treatment given by dentists, or conditions under which general dental services are provided.

### *Artificial Limb and Appliance Centres*

8. There are 24 centres throughout England each under a Manager and employing a small number of Medical Officers. They deal with local applications for the treatment of war pensioners and with the supply and repair of artificial limbs, invalid chairs, cars, powered tricycles and other appliances both to war pensioners and to N.H.S. patients. A few of these centres deal with limb fitting cases only and six at present deal only with invalid transport and appliances. Present policy is to associate these centres (and particularly the limb fitting aspects) physically, though not so far administratively, with appropriate major hospitals.

### *Audit of Accounts*

9. There are five areas in England each under a C.E.O. who are in turn responsible to a S.C.E.O. at Headquarters (A.G.D.2.). The audit covers the accounts of Hospital Authorities, Executive Councils, Artificial Limb and Appliance Centres and one or two other bodies.

### *Dispersal*

10. Two blocks of work are dispersed to Blackpool and Fleetwood, *viz.* the central administration of the artificial limb and appliance service referred to above, and the central work for the Health Services Superannuation Scheme, including a computer.

### *Staffing*

11. The staff of the regional organisation for Health are allocated as follows:

	<i>Professional &amp; Technical Grades</i>	<i>Administrative &amp; Managerial Grades</i>	<i>Supporting Grades</i>	<i>Total</i>
Regional Medical Services	56		136	192
Regional Dental Service	31		29	60
A.L.A.C.	151	21	629	801
Regional Offices	13	12	37	62
Total	251	33	831	1,115

### *Social Security*

12. Social Security is administered by the Department as an entity for the whole of England, Wales and Scotland (in addition War Pensions local offices are provided in Ottawa, Belfast and Dublin). No general powers or functions are *delegated* to local or Regional authorities, although Regional Controllers exercise authority delegated to them by the Secretary of State to appoint local insurance officers and members of Medical Boards and Local Advisory Committees. Substantial blocks of Headquarters work are *dispersed* to Central Offices in Newcastle (family allowances, N.I. records; retirement pensions awards and payments), Blackpool (war pensions and welfare foods), and Cumbernauld (S.E.T. re-payments).

13. The administration of social security is largely *decentralised* to local offices. The network of local offices is in transition (a) on account of the concentration of many small offices into larger units, mainly to facilitate A.D.P. working, and (b) on account of the merger in 1966 of the former National Assistance Board and Ministry of Pensions and National Insurance, each of which had its own network of local offices.

### *Regional Offices*

14. The regional organisation comprises ten regional offices in England and equivalent offices for Scotland and Wales, each under a Controller (Principal Executive Officer rank in England; Assistant Secretary in Scotland and Wales). The main responsibility of the regional offices is for the day to day control of the work and staff of local offices, including the recruitment of clerical staff, but they also supervise arrangements for War Pensions Committees, Local Advisory Committees, Supplementary Benefit and National Insurance Appeal Tribunals, Medical Appeal Tribunals and Medical Boards. The staff of the regional organisation for Social Security are allocated as follows:

## STAFF OF REGIONAL ORGANISATION

<i>Region</i>	<i>Professional Grades</i>	<i>Administrative &amp; Managerial Grades</i>	<i>Supporting Grades</i>	<i>Total</i>
Northern	11	190	3,269	3,470
Yorkshire & Humberside	13	236	4,251	4,500
E. Midlands & E. Anglia	5	198	3,507	3,710
London North	7	214	3,899	4,120
London South	5	259	4,576	4,840
London West	5	252	4,203	4,460
South Western	4	158	2,598	2,760
Wales	16	191	3,153	3,360
West Midlands	13	201	3,766	3,980
North Western (M/C)	15	183	3,292	3,490
North Western (Merseyside)	3	176	3,351	3,530
Scotland	14	272	5,184	5,470
<b>Total</b>	<b>111</b>	<b>2,530</b>	<b>45,049</b>	<b>47,690</b>

### *Local Establishments*

#### 15. Local Offices are as follows:

- (a) *Social Security Offices:* These offices are the main point of contact with the public and are responsible for the determination of individual benefit claims under the National Insurance and Ministry of Social Security Acts and for the receipt and scrutiny of claims under the Family Allowance scheme. Payment is authorised either by the local office or by Newcastle Central Office, according to the type of benefit. Local offices are responsible for the classification of insured persons and the collection of contributions. They also deal with a multiplicity of lesser matters, e.g. legal aid assessments, welfare food arrangements, refunds of N.H.S. charges on the grounds of hardship, recoveries of money from relatives liable to maintain persons receiving supplementary benefit. Currently there are just over 1,000 local offices but ultimately, under the re-organisation referred to in paragraph 13, full time facilities will be provided in about 750 offices and part time enquiry offices will be available in another 200 places.
- (b) *War Pensions Offices:* They deal with the welfare of war pensioners and their dependants, the care of war orphans, and the services provided in connection with war pensions. There is one such office in each region.
- (c) *Pneumoconiosis Medical Panels:* Offices dealing with the medical boarding of claimants for industrial injuries disablement benefit in respect of pneumoconiosis and byssinosis, operated by staff who (except for medical staff) form part of the regional office complement.
- (d) *Reception Centres:* These are centres often combined with re-establishment centres where temporary board and lodging is available for persons without a settled way of living.
- (e) *Re-establishment Centres:* These are centres, residential or otherwise, for the re-establishment of persons lacking the will to work or the habit of regular work.

## *Appeal Tribunals*

16. The determination of claims to benefit is subject to appeal by the claimants to independent Appeal Tribunals. There are separate Tribunals for N.I. benefits, supplementary benefits, war pensions and medical assessments.

## *Local Advisory Committees*

17. Under the Ministry of Social Security Act, local Advisory Committees are appointed by the Minister to advise upon the local administration of social security to select suitable bodies to nominate members of local Tribunal panels, and to advise local Managers on the problems of some supplementary benefit claimants. There are 118 committees in England, 15 in Scotland and eight in Wales. Total membership is about 4,000 (if all vacancies are filled).

## *Regional Boundaries*

18. Maps showing the division of England for both Health Liaison and Social Security purposes are appended (Appendices A and B). Generally regional areas conform to local authority boundaries, an exception being where, to equalise population distribution, Regional Hospital Areas, particularly in London, take in only part of a local authority area. The Social Security boundaries reflect the merging of the former M.P.N.I. and N.A.B.; many of these regional boundaries are still ragged on the ground and will only conform to the local authority pattern as opportunities arise to adjust individual local office areas.

19. The departmental regional boundaries differ from those of the Economic Planning Regions (see Appendix A to Chapter 1) in the following respects:

### *(a) Health*

*Liaison Regions.* Appendix A. (Providing a liaison service between the Department's Headquarters and the local bodies who provide the services for which the Minister has central responsibility).

- (i) Leeds Region (Yorkshire and Humberside economic planning region) does not include Parts of Lindsey or the county boroughs of Barnsley, Doncaster, Rotherham and Sheffield and surrounding district;
- (ii) Nottingham Region (East Midlands economic planning region) excludes Northamptonshire but includes Parts of Lindsey, the High Peak area of Derbyshire and the county boroughs of Barnsley, Doncaster, Rotherham and Sheffield and surrounding district;
- (iii) The areas covered by the South East and East Anglia economic planning regions plus Northamptonshire and Dorset are divided into four Health Liaison regions, each radiating from Central London;
- (iv) The South West health region (South West economic planning region) does not include Dorset;
- (v) The North West economic planning region, excluding the High Peak area of Derbyshire (see (ii) above), is divided by an east/west line into two health regions, Manchester and Liverpool.

*Regional Hospital Areas:* (For the administration of hospital and specialist services).

These are independent of the liaison region organisation. There are 14 Regional Hospital Areas in England only one of which, West Midlands, has a boundary coinciding with that of an economic planning region.



The differences, some large and some small, between the hospital areas and the economic planning regions over the rest of the country are too involved to describe without the aid of a large scale map illustration. One principal difference is that London and the South-East is divided into six regional hospital areas, four of which radiate from Central London while the remaining two (Oxford and Wessex) cover peripheral areas.

*Local Health Authorities and Executive Councils:* (Responsible for local health authority services and family practitioner services).

Responsibility for all local health authority services in England and Wales is shared by a network comprised of County Councils, County Boroughs, the London Boroughs, the City of London and the Isles of Scilly. In addition there are over 100 Executive Councils, some of which cover more than one local health authority area, which are responsible for the family practitioner services\*

**(b) Social Security (Appendix B)**

- (i) The East Midlands and East Anglia economic planning regions are combined to form one social security region controlled from Nottingham;
- (ii) The South East economic planning region is divided, for social security purposes, into three separate regions, each radiating from Central London;
- (iii) The North West economic planning region is divided by a north/south line into two social security regions, North Western (Manchester) and North Western (Merseyside); and
- (iv) The West Midlands social security region includes a small area of Derbyshire (around Swadlincote) which is additional to the area covered by the corresponding economic planning region.

**General**

20. It will be apparent that the relationships of the Regional structure of the Department to the Regions in which it operates differs markedly as between the Health and Social Security sides.

21. Social security is administered on the basis of national schemes—financed by nationally applicable rates of contributions from individuals, and employers and from the Exchequer, and paying nationally applicable rates of benefit for specific situations. The degree of decentralisation in the administration of these schemes is determined by the operational requirements of the schemes themselves—some (e.g. Family Allowances) are relatively simple and are effectively centralised at the Central Office; others (e.g. the main N.I. benefits for sickness) require local administration but with reference to a central record; others (e.g. supplementary pensions) are wholly decentralised to the local offices functioning under the oversight of the Regional Controllers. The main purpose of this Regional structure is to direct the local operations on which most of the schemes

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\*In the following cases an Executive Council area combines more than one Local Health Authority area: Devon and Exeter; Gloucester County and City; Kent and Canterbury; Leicestershire and Rutland; Nottingham County and City; Oxford County and City; Denbigh and Flint; Monmouth and Newport; Bedford and Luton; Warwickshire and Solihull; Inner London; North East London; South East London and Kent; South West London and Surrey.

depend in some degree. Nevertheless, through the local Advisory Committees and through contacts with employers, local authorities and voluntary organisations, they provide a valuable channel of communication about the schemes and their administration between local opinion and the Department's Headquarters and Ministers.

22. So far as the Health and Welfare services are concerned, the essential feature to note is that their administration is in the hands of local people. Local authority services are directed by those elected to the councils; Executive Councils (which cover much the same areas as the major local authorities and control the general practitioner services) are made up of representatives of these local authorities and of the professions concerned, and other local people; and the hospital and specialist services are in the hands of Regional and local bodies specially appointed for the purpose and reflecting the views of the various interests in the areas they serve. Effective Regional liaison is of necessity a prime objective: very close relationships between these bodies and the Secretary of State and his Department are obviously essential. They are achieved by a continuous process of consultation and interchange of information. The methods include meetings (regular or *ad hoc*) which may be held locally or at the Department's office as circumstances require; frequent local visits by Ministers and officials of the Department; and the stationing in each Region of a small number of Departmental officials whose specific job it is to promote good liaison between the local bodies and the Department.

*April, 1969*

## APPENDIX A TO CHAPTER 10

### HEALTH LIAISON REGIONAL BOUNDARIES



**APPENDIX B TO CHAPTER 10**  
**SOCIAL SECURITY REGIONAL BOUNDARIES**



## CHAPTER 11

### DEPARTMENT OF EDUCATION AND SCIENCE

#### The Work of the Department

1. In the field of public education generally, the Secretary of State for Education and Science operates under statutes which extend to England and Wales as a whole.\* In addition, he has functions, in relation particularly to the universities, science, the arts and sport, which extend to other parts of the United Kingdom. This paper summarises the organisation of the Department's work under the following heads:

- A. Organisation in England
- B. Education Office for Wales
- C. Functions extending beyond England and Wales
- D. Regional Consultation
- E. Dispersal arrangements.

#### A. ORGANISATION IN ENGLAND

2. Executive powers in the field of primary, secondary and other education are exercised mainly by local education authorities (the Councils of counties, county boroughs and the Outer London Boroughs and the Inner London Education Authority) the universities and other responsible bodies. The Department has no regulatory functions, and provides no services, which require administration on a regional basis.

3. H.M. Inspectorate of Schools, numbering about 500, is organised on a regional basis with a small nucleus at the London headquarters of the Department. There are ten geographical divisions in England, in each of which a Divisional Inspector is responsible for the working of the team. The function of H.M. Inspectorate is to promote educational developments generally and to encourage higher standards in the areas and establishments for which they are responsible; this is done through discussion and by advice to local education authorities, teachers and responsible bodies on the one hand and the Department on the other. H.M. Inspectors take no part in local decisions; they do not exercise executive powers and their advice is not binding.

4. In order to provide H.M. Inspectors with executive and clerical support, the Department maintains ten divisional offices (in Newcastle-upon-Tyne, Leeds, Manchester, Nottingham, Birmingham, Cambridge, London, Tunbridge Wells, Reading and Bristol) and 40 local offices in other towns. The total number of supporting staff in these offices is 155, of whom 145 are clerical and typing staff.

5. The ten divisions are based on the former Civil Defence regions, with minor modifications.

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\*The most important of these statutes are:

Education Acts 1944-68

Public Libraries and Museums Act 1964

Charities Act 1960

Physical Training and Recreation Act 1937 (as amended)

## B. EDUCATION OFFICE FOR WALES

6. Special arrangements have been made for most of the Department's functions in relation to Wales to be exercised through the Education Office for Wales which operates mainly in Cardiff. The main functions of the Education Office for Wales are:

- (a) to advise on the application to Wales of policy matters under consideration by the Department;
- (b) to provide the Welsh Local Education Authorities and other bodies with a special channel of approach to the Department;
- (c) to supervise primary, secondary and further education in Wales, educational building, youth and adult welfare, public library provision and activities in the field of sport;
- (d) to maintain liaison with the Office of the Secretary of State for Wales.

7. Certain more specialised functions are not carried out separately by the Education Office for Wales but there is full consultation on such matters between the Department in London and the Education Office for Wales.

8. H.M. Inspectorate for Wales, numbering 47, operates separately from the English Inspectorate, under a Chief Inspector who has his headquarters at Cardiff.

9. The staff of the Education Office for Wales comprises:

One official (with the rank of Under Secretary), entitled "The Secretary for Welsh Education", based in Cardiff but with an office in London.

One Assistant Secretary based in London.

One Principal in general charge of the Office in Cardiff.

One C.E.O. based in London and acting as liaison officer with specialist branches.

37 other staff in Wales, including ten supporting staff for H.M. Inspectors, of whom a few are in the local offices in Wrexham and Swansea.

10. The Secretary for Welsh Education has direct access to the Secretary of State and other Ministers in London and also in practice has access to and advises the Secretary of State for Wales, who has oversight over education as of other Government activities in Wales. There is frequent consultation between the Education Office for Wales and the Welsh Office.

### Other Relationships in the United Kingdom

11. Although there is relatively little formal machinery for consultation between the Department, the Education Departments in Scotland and Northern Ireland and those in the Channel Islands and the Isle of Man, there is a good deal of informal liaison and consultation. The Department also makes available to the Channel Islands and the Isle of Man on a repayment basis the services of H.M. Inspectors for the purpose of inspecting schools there and does a small amount of administrative work in the field of teachers' pensions on behalf of the Channel Islands.

### **Universities and the University Grants Committee**

12. The Secretary of State is responsible for government policy concerning universities. The University Grants Committee appointed by the Secretary of State in consultation with Secretaries of State for Scotland and Wales is a standing non-statutory committee responsible for considering and advising on the financial needs of universities in Great Britain. There are arrangements for taking account of the needs of Scottish and Welsh universities, by consultation with the Secretaries of State for Scotland and Wales and through official assessors on the Committee. Northern Ireland is not covered by the U.G.C. but the Government of Northern Ireland seeks the Committee's advice on the Northern Ireland universities.

13. Local education authorities in England and Wales are empowered to make grants to students taking first degree and comparable courses and to persons training as teachers who are resident in their area in respect of attendance at universities and teacher training institutions in any part of the United Kingdom. Postgraduate and mature student awards by the Secretary of State are tenable at institutions in Great Britain and elsewhere.

### **Science**

14. The Secretary of State is responsible for civil science policy for the whole of the United Kingdom, and under the Science and Technology Act 1965, for determining the resources of the five Research Councils\*; there is no geographical limitation in the charters of these Councils of the areas in which they may 'pursue their objects'. Research grants may be made by the Secretary of State to institutions in any part of the United Kingdom.

### **Arts**

15. One Minister has special responsibility for framing and co-ordinating policy for the arts in Great Britain and for government support for the arts in England and Wales (except that certain Welsh institutions are the responsibility of the Secretary of State for Wales). Direct responsibility for the arts in Scotland rests with the Secretary of State for Scotland.

### **Sport**

16. Another Minister has special responsibility for policy in relation to sport in Great Britain and is Chairman of the (non-statutory) Sports Council, which includes members representative of Scotland, appointed in consultation with the Secretary of State for Scotland. Grants towards the costs of participation of national teams in international events are made by the particular country concerned but the Department has overall responsibility for aid to representative United Kingdom or Great Britain teams.

### **External Relations**

17. The Department exercises various functions in the international (including scientific) field on behalf of the Government, in consultation where appropriate with the Scottish Education Department and the Ministry of Education in Northern Ireland; this is sometimes done on the basis of shared costs.

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\*Medical, Agricultural, Science, Natural Environment, Social Science.

## D. REGIONAL CONSULTATION

18. In all regions except the South East, the Divisional Inspector attends as necessary meetings of the Regional Economic Planning Board. In the South East, the representative is at present an Assistant Secretary from the Department.

19. Normally, the Department consults with individual local authorities and with their national associations. There are a number of regional organisations operating in the Department's field with the general function of co-ordinating provision within the region. Since the Department has no regional administrative machinery, it does not normally take any direct part in the work of these organisations, although H.M. Inspectors keep in touch with their work and may be invited to meetings. The following paragraphs indicate the scope of the major organisations of this type.

20. The nine Regional Advisory Councils for Further Education in England (there is a separate Council for Wales) are non-statutory bodies whose members are appointed by local education authorities, local industry and the universities in the region. They promote regional developments in further education and make recommendations to the various bodies concerned and to the Department as to courses of advanced further education which are considered to be necessary.

21. The nine Regional Sports Councils in England are non-statutory bodies whose main function is to co-ordinate the planning, provision and use of sports facilities in the area. There are separate Councils for Wales and Scotland. The Chairman and a small number of the members of these Councils are nominated by the Minister responsible for sport; the other members represent the local authority and sports interests in the region. The Councils publish reports and may be asked for advice by the Department. In a number of regions there is cross representation between the Regional Sports Councils and the Economic Planning Councils.

22. The arrangements for the training of teachers are based on Area Training Organisations. These are associated with particular universities, not specifically linked to regions but enabling teacher training provision to be planned with a view to meeting the regional needs.

23. Developments in the Arts have led to the establishment so far of eight Regional Arts Associations, which include representatives of the local authorities, the universities and local arts interests as well as individuals closely concerned with the arts. The main function of these Associations is to promote and encourage the arts in the regions.

24. Other more informal arrangements exist in some areas (e.g. in connection with the provision for handicapped children) to enable regional needs to be considered and provision for them co-ordinated. There is no direct link normally with the Department which may however seek the advice of such bodies on particular matters.

## E. DISPERSAL ARRANGEMENTS

25. A block of work dealing with teachers' pensions, salaries and qualifications is in process of being transferred from the London periphery to Darlington. The Department's new computer is also in Darlington. It is expected that ultimately some 600 staff will be stationed there, up to and including a P.E.O.



26. The National Lending Library for Science and Technology is situated at Boston Spa, Yorkshire. The total number of staff is about 190, headed by a Deputy Chief Scientific Officer.

27. The recently established Documentation Processing Centre (part of the Department's Office for Scientific and Technical Information) has been set up at Manchester and has about 15 staff at present. It is likely to build up to about 60 over the next few years. It is headed by a Senior Principal Scientific Officer.

*April, 1969*

## CHAPTER 12

### HOME OFFICE

#### The Work of the Department

1. The Home Office has no single organisation for carrying out work which is regionalised. The different departments of the Office have, where necessary, developed their own organisations which are adapted to the needs of the services administered. The number of regions and the regional boundaries differ from service to service. The possibility of forming a unified regional organisation was investigated in 1964, but the idea was not proceeded with.

2. The work concerned includes:

- (a) Directly administered services, e.g. the prison and immigration services. For prisons a regional organisation is now being developed and is expected to consist of four regions. The shape of each region is likely to be determined by a number of operational considerations, for example, the geographical distribution of prison service establishments and the variety of regimes and forms of treatment which they provide between them. Immigration staff are posted at ports and airports and the service is regionalised only for the purpose of supervision and certain local contacts with air and port authorities, etc.
- (b) Services locally administered. The Children's Department Inspectorate, divided into seven regions (including three in London), undertakes both advisory and inspectorial functions. Inspectors of Constabulary are organised in six regions which are delineated by police force boundaries. Smaller numbers of Fire Service and probation inspectors are out-posted. For the police, some common services are provided by the Home Office regionally, e.g. forensic science laboratories and police training centres, each serving a group of forces. The only Home Office service which used regions corresponding closely to the standard economic planning regions was the network of Civil Defence regional offices. These offices have recently been closed but it should be mentioned that the Civil Defence Regions have been retained by some other Departments for their own purposes.
- (c) Regulatory functions, e.g. those under the Cruelty to Animals Act. Most Inspectors still operate from London, but two are based outside.

3. The above summary is not comprehensive, but it indicates the range and nature of the activities concerned. Generally speaking Home Office work undertaken by the regional organisations does not contribute directly to regional development and is not susceptible of variation region by region.

#### Liaison with Economic Planning Boards and Councils

4. In 1966 the Home Office nominated nine headquarters Assistant Secretaries to represent the Office at meetings of the English and Welsh Boards and Councils. This arrangement was ended last year as it had been found that in practice matters of concern to the Home Office were rarely discussed. All papers of these Boards and Councils are now examined centrally and arrangements will be made for Home Office participation at meetings if necessary.

## Scotland, Wales and Northern Ireland

5. Only immigration staff and a member of the Cruelty to Animals Inspectorate are stationed in Scotland, though the Home Secretary also has certain other responsibilities there. The only Home Office staff in Northern Ireland are immigration staff. The Home Secretary's responsibilities in Wales are for all practical purposes the same as in England. The regional immigration inspector, Children's Department Inspectors and H.M. Inspector of Constabulary stationed in Cardiff also have responsibilities in South West England.

## Staff

6. Though over 80% of the 20,000 or so Home Office staff work outside London, (prison officers constitute the largest single element) the number who can truly be described as manning regional offices is very small. For the present purpose regional staffs may perhaps be taken to be six Inspectors of Constabulary, 58 Children's Department Inspectors, two Probation Inspectors, 17 other professional and technical staff (including Prison Department and research staff), and 63 clerical/executive staff, 146 in all. The Prison Department element of the above figures (19) may be increased about five-fold over the next year or two.

*April, 1969*

### CENTRAL OFFICE OF INFORMATION

#### The Work of the Department

1. The C.O.I. provides information material, publicity services and advice to all other Government Departments in England. In Scotland, Wales and Northern Ireland, the Scottish Information Office, the Information Division of the Welsh Office and the Information Service of the Government of Northern Ireland act for the C.O.I. in carrying out these functions.

#### Need for Regional Organisation

2. It would be uneconomic for each Government Department to have its own Regional press and publicity services. They are therefore provided through a C.O.I. Regional organisation. Its main functions are:

- (a) To assist other Government Departments in obtaining publicity for their policies and actions in the Regional newspapers; and to advise them on Regional publicity problems and potentials.
- (b) To supply articles, photographs and radio tapes, mainly from industry, for use in the official Overseas Information Services operated by the C.O.I.
- (c) To organise locally tours of official guests from overseas, and to escort guests.
- (d) To execute and co-ordinate publicity for the Regional Offices of Government Departments (e.g. preparation and issue of press notices, press cutting service).
- (e) To arrange, as required, press conferences and broadcasting appearances for visiting Ministers.
- (f) To undertake press and publicity work on behalf of Regional Economic Planning Councils and Boards and to advise on public relations.
- (g) To arrange and co-ordinate the issue of publicity material and staging of exhibitions as part of national and local campaigns on behalf of other Departments.
- (h) To co-ordinate local press, radio and TV coverage of visits by members of the Royal Family.

3. There are nine regional offices located in London, Newcastle, Leeds, Nottingham, Cambridge, Reading, Bristol, Birmingham and Manchester.

4. C.O.I. Regional Office boundaries coincide with those of the former Civil Defence Regions.

#### Staffing

5. The staff at each office is shown in the following table:

# C.O.I. REGIONAL STAFF

<i>Region</i>	<i>Information Officer Grades</i>	<i>Clerical and Typing Staff</i>
Midland (Birmingham)	9	7
North Western (Manchester)	8	7
Northern (Newcastle)	7	7
E. & W. Ridings (Leeds)	7	7
N. Midland (Nottingham)	7	6
S. Western (Bristol)	7	6
London & South Eastern (London)	7	5
Eastern (Cambridge)	6	6
Southern (Reading)	6	4

*April, 1969*

## BOARD OF INLAND REVENUE

**The work of the Department**

1. The Board of Inland Revenue's main function is the assessment and collection of direct taxes. In respect of its countrywide functions, a former Chairman stated that "under the existing statutory code there is no scope for regionalisation in the field of taxation—regionalisation being here understood to be administrative arrangements under which regional representatives have a measure of responsibility and can adapt the national rule, to local needs. Tax administration on the contrary must not vary between localities but must be consistent throughout the whole country" (Inland Revenue Whitehall Series, P.50).

2. All the taxes administered by the Department apply to Great Britain but only some of them (taxes on income and capital gains) apply to Northern Ireland.\*

3. The Board have delegated some of their executive functions for Scotland to the Comptroller of Stamps & Taxes in Edinburgh and they consult him on Scottish aspects of questions of policy. The Comptroller also acts as the Board's representative in their dealing with Government departments in Edinburgh and with Scottish organisations and individuals.

4. Wales and (to the extent that the Board are responsible) Northern Ireland are not differentiated from England for the purposes of tax administration. In practice, the Inspecting Officer in Northern Ireland acts as the Board's representative in any necessary dealings with officials of the Northern Ireland Government.

5. Income tax, corporation tax and capital gains are assessed and collected by 741 local Tax Offices and 243 local Collection Offices; certain functions are, for convenience, centralized in Headquarters offices and some London work is dispersed to large provincial offices. Inspecting officers stationed at convenient centres throughout the country form a management link between local Tax Offices and Headquarters but on most matters on which they require advice, local offices refer direct to Headquarters. There are somewhat similar arrangements for local Collection Offices. In the next decade much of the routine work is being concentrated in a number of large computer centres serving different areas of the country delineated on a functional basis. Not all the computer centres will be located in the areas they serve. There will continue to be a network of local offices providing a local service.

6. Surtax is assessed and collected centrally in London. Estate Duty is assessed and collected centrally by two offices—one in London for England and Wales and the other in Edinburgh for Scotland. Stamp Duty work for England and Wales is carried out mainly by offices in London and by a dispersed office in Worthing but there are also Stamp Offices in Edinburgh and Glasgow (for which the Comptroller of Stamps and Taxes is responsible) and in nine of the larger provincial towns.

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\*Estate Duty and Stamp Duty in Northern Ireland are imposed by the Northern Ireland Parliament.

7. The Board of Inland Revenue are also responsible for the work of the Valuation Office (England and Wales) and the Valuation Office (Scotland). In matters of valuation regional and local conditions are of primary significance. Moreover, there are close contacts with Government departments operating through regional representatives and in the case of the Valuation Office (England and Wales) with local authorities about rating valuation.\* There is thus a closer approach to regionalization than in the other Inland Revenue branches. In England and Wales there is a Headquarters Office in London, 25 Superintending Valuers' Offices responsible for regions (whose boundaries take account of the standard regions), and over 200 local or specialized offices.

8. The Valuation Office (Scotland) operates from its Headquarters Office in Edinburgh and from 15 local offices organized on a geographical basis.

9. The total staff of the Department is about 65,000, including 8,000 in the Valuation Offices. By April, 1970 the figures are expected to be 68,000 and 9,000 respectively.

*April, 1969*

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\*Rating valuation in Scotland is carried out by assessors appointed by rating authorities.

## CHAPTER 15

### H.M. CUSTOMS AND EXCISE

1. The main function of H.M. Customs and Excise is the collection and administration of the Customs and Excise duties and the purchase tax. The Department also performs many non-revenue functions, which include aspects of import and export licensing and exchange control, the compilation of external trade statistics, and the enforcement of restrictions on the import and export of certain goods.

2. This work requires an organisation covering the whole of Great Britain and Northern Ireland: there has to be a very widely spread network of local representation at the actual points where the needs of trade dictate it, but at the same time it is important that there should be uniformity of practice throughout the country. For general Customs and Excise purposes the country is divided into thirty areas known as Collections. Of these, four are situated in Scotland, one in Northern Ireland, and one in the Isle of Man; Wales is covered by two Collections which also include English counties. At the head of each Collection is a Collector, who is the local representative of the Board of Customs and Excise and the receiving official for the revenue collected in the area under his control.

3. The number of staff employed outside Headquarters in approximately 14,900.

*April, 1969*



MEMORANDUM BY THE MINISTRY OF HOUSING AND  
LOCAL GOVERNMENT ON NEW AND EXPANDED TOWNS  
IN ENGLAND

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## NEW AND EXPANDED TOWNS IN ENGLAND

*Memorandum by the Ministry of Housing and Local Government*

### **New Towns**

1. In 1940 the Royal Commission on the Distribution of Industrial Population (the Barlow Commission) recommended measures to secure the dispersal of industry and industrial population from congested urban areas and envisaged their movement to "garden cities or garden suburbs" and "satellite towns". The New Towns Committee under the Chairmanship of Lord Reith examined the means for building such new towns, and Parliament in 1946 passed the New Towns Act (now consolidated in the New Towns Act 1965) which provides the necessary statutory powers.

2. Twenty new towns, listed in Appendix A, have so far been designated in England. They have received some 450,000 people in 120,000 new houses and new industries employing some 110,000 people.

3. These new towns depend primarily on Government initiative and finance. When the statutory procedures for designating a new town have been completed the Minister of Housing and Local Government appoints a Development Corporation to secure the layout and development of the town; it prepares a plan, acquires land and carries out a major part of the housing, commercial and industrial development. The Corporation's capital is provided by Exchequer advances repayable over 60 years.

### **Expanding Towns**

4. The Town Development Act 1952 was passed to complement new towns and to allow scope for local authority initiative in this field. The Act gave extra powers to local authorities who were willing to provide houses for families moving from the congested urban areas. The financing of the development is primarily the responsibility of the local authorities concerned (i.e. the receiving and exporting authorities) under the ordinary local government legislation, though special Exchequer grants are payable in addition to the normal housing subsidies.

5. A list of town development schemes is given in Appendix B. They range in size from 60 (Tutbury) to 11,500 (Basingstoke) local authority houses. Overspill intake sometimes doubles or trebles the size of a town and sometimes causes only a small addition to the existing local population.

### **Industrial Development in the new and expanding towns**

6. Efficient development of new towns or expanding towns requires that the provision of jobs and houses be kept substantially in balance. These jobs can come from the growth of existing industry, from the transfer of industry with workers from the exporting to the receiving town or from the introduction of entirely new industry. There are arrangements to assist this process. The Greater London Council in conjunction with the Department of Employment and Productivity operate a London industrial selection scheme, of which the object is to select families for moving primarily on the basis of employment requirements but also with regard to housing needs. There are similar but more limited arrangements in other conurbations. The Board of Trade under their distribution of industry powers give priority (after the development and intermediate

areas) to the movement of firms from the conurbations to the linked new and expanded towns. The Government have declared it as their intention that all approved schemes for new and expanded towns should be properly supported by employment opportunities.

### **London New Towns**

7. The 8 new towns originally designated to draw population and industry from London were all within about 30 miles of London and had target populations of 60,000 or below. In 4 of these towns (Crawley, Hemel Hempstead, Hatfield and Welwyn) planned development is completed and property has been handed over to the New Towns Commission, a management body which was set up in 1961 for this purpose but which the present Government are pledged to abolish. In the other 4 towns the targets have been increased and planned growth is continuing. In addition, Corby (Northamptonshire), which was intended to house workers at Stewarts and Lloyds' steel works and to diversify local employment opportunities, is now to take Londoners.

8. In pursuance of the original S.E. Study proposals major new towns further from London have been designated at Milton Keynes, Northampton and Peterborough. In each case the proposal is for an intake of 70,000 people by 1981. Milton Keynes will continue thereafter to grow to a town of 250,000 by the end of the century. At Northampton and Peterborough the existing towns are included in the designated areas. The local authorities and the Development Corporations will work together, the former concentrating on development and redevelopment within the existing towns and the latter on development within additional areas. As already indicated, the Government have decided not to proceed with the proposal which they also made in the light of the S.E. Study, for a new town at Ipswich.

### **London expanding towns**

9. Apart from Swindon and Bletchely, which were committed to expansion before the Town Development Act 1952 came into operation, the L.C.C. did not succeed in reaching agreements with other authorities until about 1958. Since then due to the L.C.C.'s (and now the G.L.C.'s) help, financial and otherwise, the London expanding town programme has grown apace. There are now 4 completed and 27 active schemes which in total provide for 85,000 local authority dwellings of which 35,000 have been built. Several new schemes (e.g. Hastings, Shaftesbury) and substantial additions to existing schemes (e.g. Swindon) are under negotiation. Most of the current London schemes are in the South East and East Anglia but there are some in other regions, such as Wellyingborough (10,000 houses) in the East Midlands, Bodmin (500 houses) and Plymouth (pilot scheme of 300 houses) in the South West. The largest town expansion scheme of all is proposed for Swindon which is in the South West region.

10. Recently the G.L.C. have become concerned about the fall in the population of the conurbation. They will, however, stand by the existing schemes and those which are at an advanced stage of negotiation and have publicly stated their intention to continue supporting the flow of about 20,000 residents a year to the expanding towns.

### **London Overspill programme**

11. On present estimates London overspill for the period 1968-1981 will be catered for in the following way:

<i>New Towns</i>		<i>Expanding Towns</i>	
210,000	Milton Keynes, Northampton Peterborough	198,000	Remaining capacity in agreed schemes
86,000	Remaining capacity in 1st generation new towns	about 100,000*	Schemes under negotiation
<hr/> 296,000		<hr/> 298,000	

\*These negotiations may not all come to fruition.

## West Midlands

12. It is estimated that 166,000 of the 300,000 dwellings required to meet the housing needs of the West Midlands conurbation over the period 1966-81 can be provided within the present limits of the conurbation which is confined within a proposed, but not confirmed, green belt girdle. The policy to accommodate the remaining overspill includes peripheral development (e.g. 20,000 houses at Chelmsley Wood), voluntary migration to such land as remains available within and around the edges of the proposed green belt and, predominantly, the establishment of new and expanding towns. The new towns are Redditch and Telford. The latter was designated as Dawley in 1963 but in 1968 the designated area was extended to provide for an intake of 100,000 people by the end of the eighties. Of the expanding towns, the largest are Tamworth, Daventry and Droitwich. These expansion schemes have been rather slow in starting, partly due to a dearth of mobile industry which has also affected Telford. The overspill programme for the West Midlands conurbation is:

<i>New Towns</i>		<i>Expanding Towns</i>	
Telford	100,000 people by end of 1980s	Tamworth	40,000 by 1981
Redditch	45,000 people by 1981	Daventry	22,000 by 1981
		Droitwich	13,000 by 1981
Total	<hr/> 145,000	Total	<hr/> 75,000

There are also proposals to expand Worcester through the Town Development Act machinery.

## North West

13. Much of the growth of the North West Region will take place in Liverpool and Manchester conurbations and the area between. Planned provision is being made in new towns at Skelmersdale, Runcorn and Warrington and in town development schemes, principally Winsford, Widnes and Ellesmere Port. All of these towns, with the exception of Warrington (which serves the Manchester conurbation) are designed for the needs of Merseyside. The proposed Central Lancashire New Town is intended both to meet overspill needs, primarily those of the Manchester conurbation, and to act as a growth centre in the region. It would accommodate 150,000 immigrants by 1991.

## Tyneside

14. In the north east the new towns of Aycliffe and Peterlee were designated in 1947 and 1948 respectively. Aycliffe was intended to provide housing for people employed on a nearby Board of Trade industrial estate; Peterlee to provide modern housing and alternative employment for coal miners living in mining villages.

15. Washington, which was designated as a new town in 1964, is intended to help remedy the industrial problems of this part of the country by contributing to the economic expansion of Tyneside and Wearside, as well as to help relieve housing conditions there. Northumberland County Council have promoted town development schemes at Cramlington (Seaton Valley U.D.C.) and North Killingworth (Longbenton U.D.C.) in conjunction with the district councils concerned. Cramlington (4,000 local authority houses) is in a special development area and is intended to act as a growth point as well as a reception area for over-spill. North Killingworth which is in a development area is providing accommodation for Tyneside over-spill.

16. It will be noted that a number of the new and expanding towns serving the Greater London conurbation are outside the boundaries of the present South East and East Anglia planning regions; sometimes a considerable distance outside. Otherwise, each of the conurbations is seeking the solution to its over-spill problems broadly within the planning region of which it is the nucleus. The only important exception is Daventry which is technically outside the West Midlands planning region.

*September, 1969*

# APPENDIX A NEW TOWNS IN ENGLAND—GENERAL STATISTICS

Town	Date of Designation (1)	Initial Population (2)	Current Population (Estimate) (3)	Ultimate* Population (4)	Dwellings Completed (5)	New Manufacturing Firms (6)	Jobs Created (7)	Capital Expenditure (Estimate) £m (8)
<i>England</i>								
Stevenage	11th Nov. 1946	7,000	62,200	100/105,000	16,085	66	17,606	56.4
Harlow	25th March 1947	4,500	75,500	80,000	20,692	105	15,881	67.0
Aycliffe	19th April 1947	60	21,000	45,000	5,705	—	—	15.2
Peterlee	10th March 1948	200	21,900	30,000	6,149	28	3,172	21.5
Basildon	4th Jan. 1949	25,000	77,200	140,000	16,770	123	20,271	74.7
Bracknell	17th June 1949	5,000	32,900	60,000	7,743	32	8,444	39.4
Corby	1st April 1950	15,000	48,100	80,000	7,000	21	3,696	23.2
Skelmersdale	9th Oct. 1961	10,000	18,600	80,000	1,970	42	4,679	23.4
Redditch	10th April 1964	29,000	36,500	90,000	296	43	850	14.1
Runcorn	10th April 1964	28,500	31,500	100,000	469	23	754	12.8
Washington	24th July 1964	20,000	24,300	80,000	373	25	298	8.5
Milton Keynes	23rd Jan. 1967	40,000	41,000	250,000	—	—	—	1.0
Peterborough	21st July 1967	80,500	80,500	190,000	—	—	—	0.2
Northampton	14th Feb. 1968	131,000	131,000	230,000	—	—	—	0.1
Warrington	26th April 1968	124,000	124,000	205,000	—	—	—	—
Telford	13th Dec.† 1968	70,000	70,700	220,000	1,220	40	522	16.9
<i>Towns Administered by Commission for the New Towns</i>								
Crawley	9th Jan. 1947	10,000	67,400	75,000	14,017	86	17,539	33.9
Hemel Hempstead	4th Feb. 1947	21,000	68,800	80,000	13,327	69	12,540	42.1
Hatfield	20th May 1948	8,500	25,300	29,000	4,393	19	1,367	11.4
Welwyn Garden City	20th May 1948	18,500	42,500	50,000	6,442	21	4,250	18.1
Total		647,760	1,100,900	2,214/2,219,000	122,651	743	111,869	479.9

Note: Figures in columns 3-8 as at 31st March 1969.

\*Ultimate population - total population provided for in current plans

†The new town of Dawley (designated on 16th January 1963) has now been greatly extended and renamed Telford.

## APPENDIX B

### TOWN DEVELOPMENT STATISTICS PROGRESS AT 31 DECEMBER 1968

	<i>No. of Schemes Agreed</i>	<i>Houses (Agreed Schemes)</i>	
		<i>To be built</i>	<i>Completed</i>
Birmingham	15	20,445	6,508
Bristol	4	2,278	2,278
Liverpool	4	15,930	3,814
Greater London	31	85,387	35,409
Manchester	4	7,950	1,326
Newcastle and Wallsend	2	8,017	1,345
Salford	1	4,505	4,518
Wolverhampton	4	4,696	4,327
	65	149,208	59,525

### AGREED LONDON TOWN DEVELOPMENT SCHEMES

	<i>Total Houses to be built</i>	<i>Total No. of Houses Completed at 31.12.68</i>
Andover MB	6,000	1,348
Ashford UD	4,250	1,370
Aylesbury MB	3,000	1,754
Banbury MB	2,000	901
Basingstoke MB	11,500	3,802
Bletchley UD	5,000	3,126
Bodmin MB	500	82
Braintree and Bocking UD	1,200	—
Burnley CB	700	34
Bury St Edmunds MB	3,000	841
Canvey Island UD	414	414
Frimley and Camberley UD	1,177	1,177
Gainsborough UD	1,000	9
Grantham MB	500	15
Haverhill UD	3,000	1,908
Huntingdon MB	2,450	1,711
King's Lynn MB	3,500	1,086
Letchworth UD	1,750	1,049
Luton CB	1,000	1,000
Luton RD	3,896	1,396
Melford RD	750	639
Mildenhall RD	2,000	284
Peterborough MB	300	132
Plymouth CBC	300	—
St Neots UD	2,000	522
Sandy UD	700	—
Sudbury MB	1,500	—
Swindon MB	6,000	7,480
Thetford MB	3,000	1,646
Wellingborough UD	10,000	1,201
Witham UD	3,000	482
Total for Greater London	85,387	35,409

## AGREED WOLVERHAMPTON TOWN DEVELOPMENT SCHEMES

<i>Expanding Towns</i>	<i>To be Built</i>	<i>Completed</i>
Cannock RD	400	200
Seisdon RD	1,546	1,546
Tettenhall UD	300	131
Wednesfield UD	2,450	2,450
<b>Total</b>	<b>4,696</b>	<b>4,327</b>

## BRISTOL TOWN DEVELOPMENT SCHEMES

<i>Expanding Towns</i>	<i>Houses</i>	
	<i>To be Built</i>	<i>Completed</i>
Keynsham UD	642	642
Sodbury RD	136	136
Thornbury RD	500	500
Warmley RD	1,000	1,000
<b>Total</b>	<b>2,278</b>	<b>2,278</b>

## AGREED BIRMINGHAM TOWN DEVELOPMENT SCHEMES

<i>Expanding Towns</i>	<i>To be Built</i>	<i>Completed</i>
Aldridge-Brownhills UD	2,400	1,518
Banbury MB	235	235
Cannock UD	500	446
Daventry MB	5,000	884
Droitwich MB	2,000	381
Leek UD	100	—
Lichfield MB	1,200	824
Lichfield RD	500	66
Rugeley UD	300	123
Stafford MB	750	320
Stafford RD	300	—
Tamworth MB	6,000	953
Tutbury RD	60	49
Uttoxeter UD	200	200
Weston-Super-Mare MB	900	509
<b>Total</b>	<b>20,445</b>	<b>6,508</b>



# **AGREED LIVERPOOL, MANCHESTER, NEWCASTLE AND SALFORD TOWN DEVELOPMENT SCHEMES**

<i>Exporting Area</i>	<i>Expanding Towns</i>	<i>To be Built</i>	<i>Completed</i>
Liverpool	Burnley CB	2,200	39
	Ellesmere Port MB	5,500	1,689
	Widnes MB	3,730	207
	Winsford UD	4,500	1,879
Total		15,930	3,814
Manchester	Burnley CB	2,700	8
	Crewe MB	4,000	30
	Macclesfield MB	1,250	724
	Winsford UD	—	564
Total		7,950	1,326
Newcastle	Seaton Valley UD (Cramlington)	4,000	725
	Longbenton UD (North Killingworth)	4,017	620
Total		8,017	1,345
Salford	Worsley UD	4,505	4,518

# MEMORANDUM BY THE POST OFFICE ON POST OFFICE REGIONAL ORGANISATION

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# THE POST OFFICE REGIONAL ORGANISATION

## *Memorandum by the Post Office*

1. The Post Office now operates as a Government Department with a central headquarters and supporting regional headquarters, the latter controlling local area units (Head Postmasters' Offices—Postal Services; Telephone Managers' Areas—Telecommunications Services). Subject to the passage of the Post Office Bill\* (currently passed by the House of Commons and about to be considered by the Lords) it is intended to establish it as a Public Corporation on the normal Nationalised Industry pattern subject broadly to the normal controls by a Ministry of Posts and Telecommunications, both to be set up on an "appointed day" planned to be 1st October this year.

### **The Chain of Command**

2. Headquarters are responsible for the formulation and promulgation of national policy and instructions, and they determine allotments of capital investment and scrutinise the overall budgets of the operational formations. They maintain oversight of the performance of the latter and have a number of inspectorial functions. They also retain direct control in particular cases where this is essential to the nature of the activity, e.g. Overseas Telecommunications.

3. The Regional Directors are an integral part of the higher management of the Post Office. They are, in effect, the Chief Executives of their Regions, whose function is to implement national policy on lines appropriate to the physical, social and economic characteristics of their particular Regions and to co-ordinate and oversee its implementation by the local managers, who are responsible for the day-to-day operation of the services. They are freely consulted about national policy when it is being formulated, and they have wide powers of action and decision within the limits it sets. Their immediate subordinates include the Heads of specialized Branches (e.g. Engineering, Personnel, Finance) who, in accordance with the normal line-and-staff concept, are in direct touch with the appropriate Headquarters Departments for technical advice and guidance, and who are in a similar relation to the corresponding specialists at local level. Their relationship is of particular importance in the engineering field. In personnel matters, Regional Directors have powers in keeping with their other responsibilities; they fix complements broadly up to the level of about £2,000 p.a. max. and they deal with the recruitment, appointment and promotion of all basic and many supervisory grades. Their powers in staff matters generally, and in disciplinary matters in particular, are supported by regulations limiting the right of appeal to higher authority.

### **Basic policy as regards regions**

4. Consonant with its national responsibilities the Post Office does not differentiate as between regions on tariffs, charging the same tariffs throughout the United Kingdom, nor on telecommunications standards, aiming to give the same standards of service everywhere. Standards of the postal service, however, do vary, but not in relation to regions, but to the extent of urbanisation. Thus,

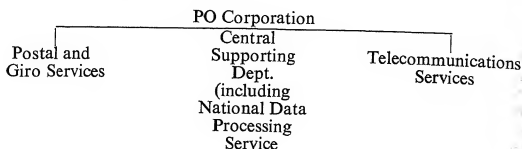
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\*The Post Office Bill referred to in paragraph 1 received Royal Assent on 25 July 1969 and the Post Office became a public authority on the "appointed day", 1 October 1969. On that day the Ministry of Posts and Telecommunications was established: it exercises the normal controls that Government imposes on a nationalised industry.

outside the urban areas there is normally one delivery and at most two collections per day. In urban areas, the normal standard of two deliveries per day and several collections, the frequency of which is dictated mainly by operating requirements and the availability of transport (predominantly railway) for the disposal of items to delivery towns. Exceptionally, Inner London still enjoys three deliveries per day.

## Organisation

5. The headquarters organisation located in London is in a state of transition pending the passage of the Post Office Bill. Assuming the Bill is passed, after Vesting Day Headquarters will comprise:



6. The Post Office's present responsibilities for Radio and Broadcasting will then be assumed by the Ministry of Posts and Telecommunications and for the Savings Bank by the Treasury.

7. The regional organisation, however, will not be affected by the passage of the Bill. It has been revised within the last two years to meet growing operational requirements. Each of the industries—Postal Services and Telecommunications Services—discharges its operating functions through ten regions.

- (i) *Northern Ireland* Northern Ireland is an all-purpose region, i.e. one organisation under the Regional Director serves both Posts and Telecommunications.
- (ii) *London* From 1936 (Postal Region) and 1938 (Telecommunications Region) there have been separate regions in London, but their boundaries extend beyond those of the Greater London Authority. The two Post Office regions have nearly, but not quite, coincidental boundaries, the minor differences being largely an inheritance of the way the communication links developed before regionalisation.
- (iii) *Scotland* The common boundary of the Post Office regions for Scotland coincides with the national boundary.
- (iv) *Provincial Regions (England and Wales)* While the Postal Regions serves the whole of the United Kingdom, there is a minor exception for telecommunications in that the municipality of Kingston on Hull operates, under licence from the Postmaster General, its own telecommunications service. Apart from this and minor boundary differences round London the boundaries of the provincial Postal and Telecommunications regions are coterminous. There is no reason why this coincidence should continue unchanged, though no drastic alterations in the next few years are foreseen. The areas served by the Post Office regions are designed to meet the operational requirements of the Postal and Telecommunications Systems. They overlap considerably the standard regions, the extent of overlap in England and Wales being indicated on Appendix A.

- (v) *Wales* Of particular interest in the context of this paper is the Wales and Border Counties region which, as its name implies, extends beyond the Principality. In population terms (1961 Census) the region comprises:

Wales	2,640,632
Border Counties	513,200
Total	3,153,832

This total is to be compared with the population served by:

Scotland	5,175,338
Smallest English Post Office Region (Eastern)	3,546,020
Largest English Post Office Region (London)	9,404,577

### **Regional HQ**

8. The Regional Headquarters are (or are planned to be) located within the regions they control—Postal and Telecommunications Region HQ being located in the same town—details in Appendix B.

### **Regional Economic Planning Boards**

9. The Post Office is represented through its appropriate Regional Directors on the Regional Economic Planning Boards.

### **Post Office Users Councils**

10. The Post Office Bill provides for the establishment of:

- (a) a National Users Council for the British Islands;
- (b) Country Users Councils for Scotland, Wales and Monmouthshire, and Northern Ireland;

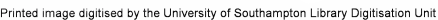
to advise the Ministry of Posts and Telecommunications and the Post Office on any matter affecting the services provided by the Post Office and, as regards the National Council, to consider "major proposals affecting any of its main services" which the Post Office must refer to them before acting on them.

### **Isle of Man and Channel Islands**

11. The Post Office Bill now before the House provides in Clause 84 for the surrender, by agreement with the authorities concerned, by the Post Office of all its privileges of operating Postal and Telecommunications services in the Isle of Man (now part of the North West P.O. Region) and in the Channel Islands (now part of the South West P.O. Region). The latter group of authorities have agreed that, from Vesting Day, they will be responsible for both the Postal and Telecommunications services in the Channel Islands. The former, having first been prepared to leave the operation of both services to the Post Office, have reopened the subject with a view to taking over both services for the Isle of Man at a future date.

*June, 1969*

## POST OFFICE REGIONAL BOUNDARIES IN RELATION TO ECONOMIC PLANNING REGIONS



## APPENDIX B

<i>Postal/Telecomms. Region</i>	<i>Regional HQ Location</i>
Eastern	*London
London	London
Midlands	Birmingham
North Eastern	Leeds
Northern Ireland	Belfast
North Western	Manchester
Scotland	Edinburgh
South Eastern	Brighton
South Western	Bristol
Wales & Border Counties	Cardiff

\*To move to Colchester.

# MEMORANDUM BY THE MINISTRY OF POWER ON THE NATIONALISED COAL, STEEL, ELECTRICITY AND GAS INDUSTRIES

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# THE NATIONALISED COAL, STEEL, ELECTRICITY AND GAS INDUSTRIES

*Memorandum by the Ministry of Power*

## I. General Considerations

### (a) *Introduction*

1. The Minister of Power has responsibilities under the relevant Acts for the coal and gas industries and the nationalised sector of the iron and steel industry in Great Britain; and for the electricity industry in England and Wales. Under the distribution of Government business he also has sponsorship responsibilities for the privately owned oil industry, solid fuel distribution and the private sector of the iron and steel industry (including iron and steel castings) throughout Great Britain. Electricity in Scotland is within the responsibility of the Secretary of State for Scotland.

2. The four nationalised industries have an important role in the economy of the country, as providers of basic materials and services, and an important stake in its resources. Their combined net assets amount to over £7,000 million, and they invest annually around £1,000 million. The combined annual turnover is about £3,500 million. The four industries employ in all about a million people, around four per cent of the total labour force.

### (b) *Public Corporations*

3. The management of the nationalised industries is in the hands of public corporations. These public corporations have the legal status of bodies corporate with independent legal personality; they are responsible to the competent Minister and through him to Parliament; their administration is in the hands of boards\* appointed by the Minister.

4. The statutory duties of the boards are in broad terms to meet the demand for their products and services in an efficient way and so to conduct their affairs that over time they at least break even after meeting interest charges and making proper provision for depreciation. In accordance with the White Papers on financial and economic objectives (Cmnd. 1337 and 3437) the industries are expected to achieve a level of financial performance agreed with the Minister†.

5. The Select Committee on Nationalised Industries, in their report on Ministerial Control‡, noted that the statutes implied that the nationalised industries had two types of obligation: first, to be responsive to the public interest; secondly, to operate as efficient commercial bodies.

### (c) *The role of the Minister*

6. Under the Ministry of Fuel and Power Act 1945 (section 1) His Majesty was empowered to appoint a Minister

“who shall be charged with the general duty of securing the effective and co-ordinated development of coal, petroleum and other minerals and

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\*In this paper “board” is used to refer not only to the National Coal Board and the Gas and Electricity Boards but also to the Gas and Electricity Councils and the British Steel Corporation.

†In the case of the British Steel Corporation the Iron and Steel Bill now before Parliament provides for the Corporation's duty to break even to be replaced by a duty to earn a return on net assets to be specified by the Minister. This is associated with the introduction as an experiment of an element of public dividend capital in place of financing exclusively by fixed interest loan.

‡House of Commons Paper 371-I (July 1968) paragraphs 61 and 63.

sources of fuel and power in Great Britain, of maintaining and improving the safety, health and welfare of persons employed in or about mines and quarries therein, and of promoting economy and efficiency in the supply, distribution, use and consumption of fuel and power, whether produced in Great Britain or not."

7. The nationalisation statutes give the Minister the same broad powers in relation to all the industries. He appoints the members of the boards. He can give the boards general directions in the public interest and he has certain limited powers to give them specific directions on, for example, financial matters or following a recommendation by a consumers' council; and in the case of the British Steel Corporation on the organisation for the direction of its activities. The boards are required to obtain the Minister's approval for the general lines of their investment and research\* programmes. Their borrowing must be either from the Government or, if from other sources, with the consent of the Minister and the approval of the Treasury. Thus the boards have a large measure of autonomy but subject to Ministerial control in the public interest. (Appendix A lists the principal powers in relation to the boards.)

8. The Minister also has powers affecting the industries under other legislation such as the Prices and Incomes Acts, the Opencast Coal Act 1958, the Mines and Quarries Acts 1954 and 1969, the Electric Lighting (Clauses) Act 1899, the Electricity (Supply) Acts 1882 to 1936, the Nuclear Installations Act 1965.

9. Together the statutory provisions and major Government policy statements provide the basis for a wide range of continuous, informal consultation which goes on at all levels between the Ministry and the boards.

## II. The Physical Shape of the Industries

10. Part 1 of Appendix B gives national figures for each industry of output, financial results, investment, turnover and manpower; Part 2 gives a breakdown of current output and manpower by Economic Planning Regions. The following sub-paragraphs describe very briefly the main features of each industry.

(a) *Coal.* The National Coal Board is responsible for over 98 per cent of the coal production in Great Britain. The bulk of its output—about 96 per cent—comes from over 300 deepmines and the remainder from opencast sites of which there are now 42. The main areas of coal production are in Scotland, Northumberland and Durham, Yorkshire, the Midlands and South Wales, with small coalfields in Cumberland, Lancashire, North Wales and Kent. Total output has fallen from a level of 207 million tons in 1948 to 164 million tons in 1968. The White Paper on Fuel Policy (Cmnd. 3438) envisaged on certain assumptions a fall in demand to around 120 million tons in 1975. Deepmined production will be increasingly concentrated on Yorkshire and the Midlands but a substantial production will continue in Scotland, Northumberland and Durham and South Wales. Opencast production is expected to be within the range of 5 to 6½ million tons annually; current policy is to grant authorisations for new opencast sites only in special circumstances (e.g. to provide scarce quality coal).

(b) *Steel.* The British Steel Corporation has no monopoly of the production of iron and steel in Great Britain. It accounts for proportions of Great Britain output ranging from virtually 100 per cent for sheet and tinplate and over 90 per cent for pig iron, crude steel and most heavy products to about 6.5 per cent

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\*In the case of the British Steel Corporation, research and development.

for non-alloy bright steel bars and under 5 per cent for tool and magnet steel. The main centres of the Corporation's production are in central Scotland, the North East Coast, the Sheffield/Rotherham areas, Scunthorpe in Lincolnshire and South Wales. There are also important works at Corby in Northamptonshire, Irlam in Lancashire, Shotton in Flintshire and Workington in Cumberland. The Corporation's ability to supply steel at the current pattern of demand for products is 25-26 million tons ingot equivalent; it is expected to increase by four to eight million tons by 1975. The extra capacity is likely to be provided by the development of existing works rather than by the building of new works on greenfield sites. There will also be some closures in order to rationalise production. The Corporation also has substantial interests in a wide range of diversified activities including structural steel, bridge building, general engineering chemicals and plastics.

(c) *Electricity.* The public electricity supply system in England and Wales consists of over 200 generating stations, with a total capacity of about 44,000MW, a national grid transmitting current at up to 400 kV and a series of local distribution networks. Electricity generation is being concentrated in a relatively small number of large power stations of up to 2,000 MW capacity; over the next five years some 25,000 MW of new generating plant will come into service. The power stations and national grid are operated as an integrated system with the objective of reducing costs to the minimum. The power stations are operated in "merit order" so that the least costly to run are operated as continuously as possible and the most costly are used only to help meet demand at peak times. The national grid makes it possible to exploit diversity of local demand for electricity (and to accommodate variations in the availability of generating plant). As a result the total plant required is kept to a minimum. The grid also gives valuable flexibility in siting power stations, making it possible to select the sites which, taking into account the cost of transmission, will give the lowest delivered costs of power.

(d) *Gas.* The gas industry is in a period of transition. In 1968 39 per cent of supplies came from oil based plant and 16 per cent from coal carbonising plant with 7 per cent in the form of natural gas imported from Algeria and 14 per cent North Sea gas.\* But within the next few years North Sea gas will become the predominant source of supply; the phasing out of coal carbonising plant will be practically complete by 1973/74 and it is estimated that oil based plant will then be meeting under 10 per cent of demand. Gas sales have increased at an average annual rate of 8 per cent over the past seven years and are expected to increase at an annual rate of about 17 per cent over the next five years. Whereas gas making plant was operated in local units, the distribution of natural gas requires a national distribution system. In 1963/64 a pipeline was built connecting eight Area Gas Boards to the installation at Canvey Island on the Thames Estuary through which liquefied natural gas is imported from Algeria. The Gas Council has assumed responsibility for the acquisition of gas from the North Sea producers and has planned a high pressure transmission system, now under construction, to distribute it to all 12 Area Boards. The original system planned for Algerian gas is being reinforced and extended as necessary; the extensions have already reached the Northern Board and North Wales, and are planned to reach the South Western Board later this year, and Scotland and South Wales next year.

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\*The remaining 24 per cent was largely bought from oil refineries and coke ovens. In due course these supplies will be replaced by natural gas.

### III. The Organisation of the Industries

#### *(a) General considerations*

11. The organisation of the industries, both under statute and under the disposition made by Minister and boards, reflects the varying circumstances of each industry (outlined in paragraph 10). There is, however, a basic distinction between on the one hand gas and electricity which are "natural monopolies" in the sense that each consumer can look only to a single outside source of supply and which are provided direct by the boards into most homes in the land; and coal and steel which are not natural monopolies in this sense and which in general are not supplied direct by the boards to domestic consumers (but about four per cent of domestic coal distribution is in the hands of the National Coal Board). In some cases the organisation of the industries has varied over time with changing circumstances and important changes are now in prospect in steel and gas; the organisation of the electricity industry is also being reviewed.

#### *(b) Organisation past and present*

##### *(i) Coal*

12. The National Coal Board established under the Coal Industry Nationalisation Act 1946 now consists of a Chairman and not less than eight nor more than 11 members appointed by the Minister and is charged with getting the coal in Great Britain, securing the efficient development of the coal-mining industry and making supplies of coal available in qualities and quantities and at prices best calculated to further the public interest in all respects. The Act vested in the Board the coal-mining and certain other assets (e.g. coke ovens and manufactured fuel plants) of the former colliery companies of which there were over 800.

13. The sub-structure of management below the Board was left to the Board itself to determine. Following nationalisation the industry was organised into eight divisions covering each of the main coalfields, and 48 areas which were themselves each organised into a number of groups. This general structure, which was endorsed by the Fleck Committee,\* stood (with the elimination of one Division) until 1967. As the industry contracted the number of areas was steadily reduced and in 1967 was 36. (The number of groups was kept flexible.)

14. In 1967 a major change in the sub-structure of the industry was made reflecting its smaller size. The divisions and groups were abolished and the industry (other than the small coalfield in Kent which is managed directly from headquarters) was reorganised into 17 areas each in charge of an area director who is directly responsible to the Board for managing the area in accordance with the Board's general policy directions. (The Board lays down the production, sales and financial objectives for each area.) Below area level, the colliery is the unit of operational management and the colliery manager is accountable to the area director for the safe and efficient management of his colliery.

15. The marketing of coal has always been centrally controlled. There are eight regional sales offices directly responsible to headquarters, each with a number of district sales offices.

##### *(ii) Iron and Steel*

16. The Iron and Steel Act 1967 established the British Steel Corporation, consisting of a chairman and from seven to 20 other members appointed by the Minister, to be responsible for the operation and management of the nationalised

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\*A committee under the chairmanship of Lord Fleck which was appointed by the Board in 1953 to consider its organisation.

sector of the iron and steel industry throughout Great Britain. (The securities of the 14 major steel companies and their subsidiaries were vested in the Corporation.) The Corporation is required to promote the efficient and economical supply of iron and steel products and to secure their availability on terms best calculated to satisfy the reasonable demands of customers and to further the public interest in all respects.

17. Thus, as in the case of coal, only one central statutory board was established for iron and steel under the 1967 Act. The Corporation is in the first instance responsible for the sub-structure of management but it is required to report to the Minister from time to time on the organisation for the direction of the activities under its control and to obtain his approval for substantial changes in that organisation. The Minister can give the Corporation specific directions on the organisation for the direction of its activities.

18. Under the organisation introduced by the Corporation on vesting day (28th July 1967)\* which is in effect at present (but see paragraphs 31 and 32) the nationalised works were placed into four groups: the Northern and Tubes Group, which includes tube-making activities in the Midlands and Scotland as well as iron and steel making on the North East Coast and elsewhere; the Scottish and Northwest Group, which includes the main Scottish steelworks and some of the works in Lancashire, Shotton (North Wales) and Stoke-on-Trent; the South Wales Group (for the most part a close geographical grouping); and the Midlands Group covering works largely in the Sheffield/Rotherham, Scunthorpe and Cumberland areas. Each Group consists of a number of Divisions (there are 16 in all) containing several producing works. The determination of the groupings reflected a combination of factors, including principally the geographical location of works and the products manufactured, but also management and other considerations. The vested companies were retained as legal entities but play no part in the Corporation's chain of command.

### (iii) *Electricity*

19. The organisation of the electricity supply industry has since nationalisation been dominated by two considerations: the need for a national organisation to run generation and the grid and the need for regional distribution organisations responsive to consumer pressure and needs.

20. Under the Electricity Act 1947 the British Electricity Authority (later the Central Electricity Authority) appointed by the Minister was required to develop and maintain an efficient, co-ordinated and economical supply of electricity for all parts of Great Britain except the North of Scotland district.† The Authority was therefore directly responsible for generation and main transmission and carried financial responsibility for the whole industry. The 14 area Boards appointed by the Minister were responsible for distribution and sale but the Authority was charged with the duty of exercising a general control over their policy and was given powers to enable it to carry out this duty. In practice it exercised considerable control over the Area Boards.

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\*British Steel Corporation Report on Organisation 1967, Cmnd. 3362.

†At the passing of the 1947 Act the North of Scotland Hydro Electric Board was already in being, and within the responsibility of the Secretary of State for Scotland.

21. The Electricity Reorganisation (Scotland) Act 1954 transferred to the Secretary of State for Scotland the functions of the Minister in relation to the generation and supply of electricity in Scotland. Because the main system in the lowlands of Scotland is effectively separated from industrial Northern England by a predominantly rural area it is practicable to plan and operate the two systems separately.

22. Following the report of the Herbert Committee\* the Electricity Act 1957 was passed. This made far-reaching changes in the structure of the industry and established the present federal organisation, consisting of the Electricity Council, the Central Electricity Generating Board responsible for generation and main transmission and 12 Area Boards responsible for distribution and sale of electricity.

23. The *Electricity Council* has the prime duties of advising the Minister on questions affecting the industry and of promoting and assisting the maintenance and development by the Boards of an efficient, co-ordinated and economical system of electricity supply. The Council is mainly advisory and consultative but it also performs certain functions on behalf of the industry as a whole, such as raising capital, conducting research and setting up negotiating machinery. If requested, it can act on behalf of Boards in matters of common interest. The Council consists of a Chairman, two Deputy Chairmen and up to three members directly appointed by the Minister, the Chairman and two other members of the Central Electricity Generating Board designated by that Board, and the Chairmen of all the Area Boards.

24. The *Central Electricity Generating Board*, which consists of a Chairman and seven to nine other members appointed by the Minister, is charged with the duty of developing and maintaining an efficient, co-ordinated and economical system of supply of electricity in bulk for all parts of England and Wales. Because of the highly integrated nature of the Generating Board's operations system planning is carried out nationally at the Board's headquarters. The detailed responsibility for the operation of power stations and the grid, however, is delegated to the Board's five operating regions, and for the construction of power stations to three project groups.

25. The *Area Boards* are separate corporations appointed by the Minister and separately responsible to him for financial performance and investment. They are charged with planning and carrying out an efficient and economical distribution of electricity in their areas. They consist of a Chairman and five to seven other members appointed by the Minister, together with the Chairman of the Area Electricity Consultative Council (who is also appointed by the Minister) ex-officio (see paragraph 39).

#### (iv) Gas

26. The present statutory structure of the gas industry in Great Britain differs little from that established at nationalisation by the Gas Act 1948 when over a thousand separate undertakings in Great Britain manufacturing town gas and distributing within comparatively small localities were grouped under 12 Area Gas Boards. The Boards are separate corporations appointed by the Minister

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\*A Committee of Inquiry set up in 1954, under the chairmanship of Sir Edwin Herbert, to inquire into the organisation and efficiency of the electricity industry in the light of its working under the Electricity Act 1947 (Report, Cmd. 9672).

and separately responsible to him for financial performance and investment. They have statutory financial obligations and supply and safety duties and in all major matters their first responsibility is to the Minister rather than to the central body of the industry, the Gas Council.

27. The Gas Council, now consisting of a Chairman, Deputy Chairman and up to five members directly appointed by the Minister and the 12 Area Board Chairmen ex-officio, was established to advise the Minister and to promote efficient performance by Area Boards. It carries out certain functions for the whole industry and plays an important co-ordinating role. Its specific powers and responsibilities, except in an advisory and consultative capacity, have however been limited. In 1965 it was empowered (under the Gas Act 1965) to acquire and manufacture gas and supply it in bulk to the Area Boards, in order to facilitate the handling of natural gas imported in liquefied form and any gas which might be found in the North Sea. This additional enabling power for the Gas Council did not curtail or change the powers and responsibilities of the Area Boards and the statutory framework within which the industry operates was not greatly affected by it.

*(v) The boundaries of the Gas and Electricity Area Boards*

28. Maps showing the boundaries of the areas of the Gas and Electricity Area Boards and those of the Economic Planning Regions are at Appendices C and D. There have been only minor changes in the boundaries of the Area Boards since nationalisation.

29. Both for gas and electricity the Area Board boundaries drawn up at the time of nationalisation were primarily determined by the layout of the existing distribution networks and the boundaries of the pre-nationalisation undertakings. These were different for the two different industries and hence the solutions adopted were different. Factors of importance in determining the boundaries were the desirability of avoiding an undue disparity in the size of different Boards and the need to achieve a reasonable balance between urban and rural areas and between domestic and industrial loads.\*

30. The extensive further development of distribution networks has taken place almost entirely within the framework of Area Board boundaries, so that in this respect the original decisions have generally tended to confirm themselves. This remains true of distribution, despite the great development by the Central Electricity Generating Board and its predecessors of the national electricity grid and the super-imposition now being carried out by the Gas Council of a national transmission system for natural gas.

*(c) Changes in prospect*

*(i) Steel*

31. In its second report on organisation† the British Steel Corporation said that it favoured changing its organisation from the present multi-product system to one based on a small number of product divisions. It is now examining

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\*The White Paper, *Electricity Supply Areas*, 1947 (Cmd. 7007), sets out in more detail the reasons for the choice of Electricity Board Areas.

†British Steel Corporation, *Second Report on Organisation*, House of Commons paper 163 (1969).



how such a system might be operated. (The Corporation has said that it recognises the need to make arrangements, within its new system of organisation, to ensure that specific attention is given to Scottish, Welsh and regional interests.) Any such organisational change would require the Minister's statutory consent and his decision would have regard to all the factors involved including regional ones. In the meantime the present organisation continues to function.

32. The Corporation's report also proposed that the assets and undertakings of the companies vested in the Corporation (see paragraph 16) should be transferred to itself and added that there was much to be said for providing in addition for the dissolution of companies which had been transferred to the Corporation. The Minister has accepted this proposal. The Iron and Steel Bill at present before Parliament empowers the Minister to make orders transferring to the Corporation the property, rights, liabilities and obligations of the publicly owned steel companies and dissolving the companies.

(ii) *Electricity*

33. The Minister of Power has announced that he is reviewing the organisation of the electricity industry in England and Wales to see whether it accords with present-day needs. The review has been directed to an examination of the basic structure of the industry; in particular to the relationships between the Electricity Council, the Central Electricity Generating Board and the Area Boards, including the powers of the centre of the industry in regard to the constituent parts. The results of the review have not yet been announced.

(iii) *Gas*

34. The Government's fuel policy calls for a rapid absorption of natural gas resulting in an acceleration of the growth of gas sales in existing and new markets, and the industry faces formidable problems in the fields of marketing, of phasing out manufactured gas and of acquiring, transmitting and distributing natural gas. On all these problems and on the economic and financial planning of the industry's affairs there is a need for centrally co-ordinated industry thinking and policy direction to an extent for which the present federal structure of the gas industry was not designed.

35. The then Minister of Power (Mr. Gunter) announced in the House of Commons on 22nd May 1968:

"We now have in mind changes intended to strengthen the central powers and duties of the Gas Council while leaving the Area Boards with their continuing and essential roles of bringing gas to the consumer and of providing the accompanying services. The Gas Council will need to have responsibility for the main policy decisions of the industry, including its investment decisions and financial performance, and the Area Boards will need to become responsible in those matters to the Gas Council.

The Area Boards will remain as statutory bodies with their responsibilities for supply—subject to the general policies of the Gas Council—and for safety, and their Chairmen would remain members of the Gas Council and would be appointed by me." (Hansard Col. 549).

The Minister amplified his intentions in written and oral evidence to the Select Committee on Nationalised Industries published in the Select Committee's Report on North Sea Gas (pages 133–139).\*

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\*Exploitation of North Sea Gas, House of Commons paper 372 (July 1968).



36. As the Minister's proposals have not yet been presented to Parliament in the form of a Bill, it is not possible to describe them in detail. Broadly, however, the intention is to give the Gas Council full financial responsibility for the industry, so that the best course for the industry as a whole may be pursued even if that produces temporarily adverse financial consequences for individual Boards; and to give the Gas Council power to control the Boards' policies so as to ensure that they are in conformity with the Council's general strategy for the industry. These powers, however, would not override certain specific statutory duties remaining with the Boards.

37. In drawing up these proposals the Minister has paid careful attention to the desirability of ensuring as far as practicable that the decisions that immediately affect the public, particularly in the field of safety and consumer service, should remain in the hands of local bodies with separate statutory responsibilities.

#### IV. Consumer Relations

38. When the industries were nationalised statutory provision was made for the establishment of councils on which the consumer was to be represented and whose object was to protect and further his interests. It is convenient to consider first the councils for the gas and electricity industries, which are organised regionally, and second those for the coal and iron and steel industries, which are national. These differences in the level at which the councils operate are not arbitrary, but reflect the differing structures of the public corporations with which they deal, the different ways they come into contact with consumers and the diverse nature of their products or services.

##### *(a) Electricity and gas*

39. An Area Consultative Council is appointed by the Minister for each of the areas of the Electricity and Gas Area Boards. In the case of electricity each Council consists of not less than 20 nor more than 30 members who are appointed by the Minister after consultation with various interests in accordance with the statutory requirements. The provisions for gas are closely similar. The Chairmen of the Councils are members of the Area Boards, ex-officio. There are no national councils representing the interests of consumers of electricity and gas, but from time to time the Chairmen of the Area Consultative Councils in each industry meet with the Ministry. In the case of electricity meetings are also held with the Electricity Council.

40. Below the Consultative Councils, district committees appointed by the Councils have been set up, in accordance with the statutory requirements, to serve smaller localities. The committees constitute a second tier of the structure of consumer representation in these two industries, helping to keep the Councils more closely in touch with consumer complaints and views throughout their areas.

41. The functions of the Consultative Councils are to consider matters relating to the supply of gas or the distribution of electricity in their areas, and to consider and report to the the Gas and Electricity Area Boards on any matters referred to them by the Boards. The Boards are required to inform their Councils of their general plans for performing their statutory functions; and the Councils may make representations to the Boards about these plans or any other matter within their general competence including specific complaints from consumers.

Consultative Councils may also make representations to the Minister, who is empowered, after prescribed procedures of consultation and inquiry, to give specific directions to the Area Board concerned if the representations disclose a defect in the Board's general plans and arrangements.

*(b) Coal and iron and steel*

42. Consumers of coal and iron and steel have their interests represented by national consumer's councils appointed by the Minister. For coal consumers there are two councils—the Industrial Coal Consumers' Council and the Domestic Coal Consumers' Council. It is left to the Minister in each case to determine the number of members. These two Councils include representatives of the National Coal Board and the other members are appointed after consultation with bodies representative of the interests concerned in accordance with the statutory requirements. The Iron and Steel Consumers' Council consists of an independent Chairman and not less than 15 nor more than 30 other members who, similarly, are appointed after consultation with representative bodies (which may include trade unions). The British Steel Corporation is not represented on the Council. Persons representing consumers in Northern Ireland have been appointed to all three Councils in accordance with the statutory provision.\*

43. There is provision in the statutes for the setting up of regional councils or committees but no statutory requirement.† The Domestic Coal Consumers' Council has considered from time to time if there was a case for this but concluded on each occasion that in the particular circumstances of the trade there was not. Apart from the major industrial users to whom the National Coal Board sells direct, coal is sold through private wholesalers and some 12,000 coal merchants. The Approved Coal Merchant's Scheme, designed to ensure that merchants give a reasonable service to consumers, was, however, set up at the instigation of the Domestic Coal Consumers' Council, which now has members on the Scheme's regional panels. As regards steel, the British Steel Corporation's plants are situated in various parts of the country but their customers are not necessarily or even usually nearby, so that it seems unlikely that there will be a call for regional committees.

44. The functions of the three Councils are widely drawn: briefly to consider any matters of concern to their consumers or which are referred to them by the Minister. Their annual reports are laid before Parliament. They are empowered to make representations to the Minister who may, after consultation with the board concerned, give such specific directions as he thinks are required. In the case of coal the Minister is empowered to give specific directions only to remedy a defect in the National Coal Board's "general arrangements". In the case of steel he may give a specific direction on "any matter".

## **V. The Industries and the Regions**

45. All the industries except the British Steel Corporation have an organisation below national level based on geographical units. The Corporation's groups are only partly geographical and the product divisions which may replace

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\*Coal Consumers' Councils (Northern Irish Interests) Act 1962; Iron and Steel Act 1967, s.8.

†In the case of steel the provision is not confined to regional committees but relates to the interests of particular classes of consumers, whether defined by reference to locality, the products concerned or otherwise.

them will be less so. The boundaries of the geographical units in the other industries have been determined by the needs of the industries and by historical development. Not unnaturally it is only in a few cases that they accord with the Economic Planning Regions. The extent to which responsibility is delegated to these units varies. In the case of coal and steel the national boards carry full statutory responsibility to the Minister but they have delegated to their subordinate units (see paragraphs 14 and 18) responsibility for management in accordance with policy laid down by the centre. In the case of gas and electricity the Boards are themselves statutory bodies directly responsible to the Minister; the Gas and Electricity Councils have co-ordinating responsibilities. The powers of the Gas Council are likely to be strengthened under legislation now in prospect (see paragraph 35), and, as mentioned in paragraph 33, the organisation of the electricity industry is also being reviewed.

46. The nationalised industries are closely involved in regional development and regional policy. Changes in population, the development of new towns and overspill areas, and changes in both the general infrastructure and the structure of industry all affect the industries, and particularly the pattern of demand for gas and electricity. As service industries closely matching local and regional requirements of industry, commerce and the householder, gas and electricity keep constantly in touch with local and regional planning. Conversely the development and modifications undertaken by the nationalised industries, particularly coal and steel, have an impact on other industries and on the regions generally. All the nationalised industries at local level therefore keep constantly in touch with local and regional planning and there are comprehensive informal arrangements for liaison between the industries and the regional organisations of Government. In Scotland, Wales and Northern Region contact between the industries and Government is normally through the Ministry's regional offices;\* in other regions local officials of the industries make contact direct with the regional Economic Planning Boards or with regional organisations of other Government Departments. Contact with local authorities is in all cases direct. However, as regional aspects have to be considered in a wider context many discussions between the industries and the Government on regional problems are handled by Ministry Headquarters in London in consultation with the other Departments concerned.

47. The extent to which the industries can take regional considerations into account in the location of their activities varies. The National Coal Board has limited scope for manoeuvre—coal must be mined where it is found. For certain of the Board's other activities, such as manufactured fuel plants, there could be a wider choice of siting. The location of many of the activities of the gas and electricity industries is determined by the need to meet demand where it arises although through the operation of the grid there is some room for manoeuvre in the siting of power stations. The locations of new steel works or major expansion of existing plants would be influenced by such factors as the availability of skilled labour and proximity to ore supplies or importing terminals. The industries can and do however take regional considerations into account other things being equal in their purchasing policy and in the location of offices, research establishments etc.

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\*The Senior Officer for Wales has recently become responsible for all matters relating to the South West Economic Planning Region.

48. The British Steel Corporation alone among nationalised industries receives investment grants on its main activities, including the differential grants in development areas and the regional employment premium. The other industries receive these grants and premia only on ancillary activities. In the case of all the industries however the Ministry seeks to ensure that due weight is given to regional factors by a process of discussion and consultation. In this context the following are of particular importance:

*(a) Investment programmes*

Each statutory board\* is required to submit each year an investment programme for the following five years. At the end of the review the Minister approves a firm figure for total investment in the following financial year and normally a provisional figure for the year after that. The information accompanying the investment programmes covers such matters as demand forecasts, capacity, manpower and productivity, and consideration of the programmes provides the opportunity for a wide ranging review of all the main activities of the industries in which consideration is given to any important regional implications they may have. Under the policy described in the White Paper on Fuel Policy (Cmd. 3438, paragraph 98), the Minister takes into account regional factors, among other considerations, before giving his consent to proposals for new power stations.

*(b) Manpower planning*

Although the Minister has no specific statutory powers in respect of manpower in the nationalised industries there is close consultation between the Ministry, the National Coal Board and the British Steel Corporation on plans for closures and reductions of manpower and, more generally, on the regional implications of the rationalisation of the two industries. In the case of coal there is a settled procedure to enable the Government to give full consideration in good time to manpower problems arising from prospective colliery closures and to take account of the views of the Economic Planning Councils. In the case of steel, the Ministry is in close touch with the Corporation on the manpower implications (including the regional aspects) of proposals for the rationalisation of the steel industry as they develop. The Corporation has agreed to give at least six month's notice in the case of closures affecting over 100 men and two to three years in the case of major works. These arrangements ensure that the Economic Planning Boards and Councils can take timely notice of the Corporation's intentions.

*June, 1969*

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\*The arrangements for the annual investment review are not yet fully operative in the case of the British Steel Corporation.

# APPENDIX A PRINCIPAL STATUTORY POWERS AND RESPONSIBILITIES REFERRED TO IN PARAGRAPH 7

References to the statutes mentioned in this Appendix are given by date only, in accordance with the list below:

	Coal	Electricity	Gas	Iron and Steel
1946 Coal Industry Nationalisation Act	1947 Electricity Act	1948 Gas Act	1949 Iron & Steel Act as revised and amended by the Iron and Steel Act 1967.	1967 Iron & Steel Act
1949 Coal Industry Act	1957 Electricity Act	1963 Electricity and Gas Act		
1965 Coal Industry Act	1963 Electricity & Gas Act	1965 Gas Act		
1967 Coal Industry Act		1965B Gas (Borrowing Powers) Act		
		1968 Gas and Electricity Act		

	<i>Description of power or responsibility</i>	<i>Relevant Statutory Provisions</i>			
		<i>Coal</i>	<i>Electricity</i>	<i>Gas</i>	<i>Iron &amp; Steel</i>
1.	Appointment of boards	1946, s.2 1949, s.1	1947, s.3 1957, s.2 s.3	1948, s.5 1965, s.2 1968, s.6 1948, s.7	1967, s. 1
2.	Power to give general directions to boards				1949, s.4
3.	Power to give specific directions to boards (i) on financial matters (ii) in connection with consumers' or consultative councils (iii) on the organisation for the direction of their activities	1946, s.29 1965, s.2 1946, s.4	1957, s.20 s.22	1948, s.47 1965, Sched. 1	1967, s.16 s.17
4.	Approval of general programmes of reorganisation or capital development		1947, s.7 1957, Sched. 1	1948, s.9	1949, s.6
5.	Control of boards' borrowing	1946, s.3 1965, s.1 & Sched. 1 1967, s.1	1957, s.8 1957, s.15 s.16 1963, s.1 s.2	1948, s.1 1965, s.1 1948, s.42 s.43 1963, Sched. 1 1963, s.2 1965, s.31 1965B, s.1	1967, s.7 1949, s.4 1967, s.19
6.	Settlement of general lines of research programmes*	1946, s.3 1946, s.4	1957, s.7 1947, s.7 1957, Sched. 1	1948, s.3 1948, s.9	1949, s.4 1967, s.8
7.	Appointment of consumer's or consultative councils				

\*In the case of the British Steel Corporation, research and development.

## APPENDIX B

### BASIC STATISTICS

#### Part 1 Output, Financial Results, Investment, Turnover and Manpower

##### 1. National Coal Board

	1963/4	1964/5	1965/6	1966/7	1967/8
	<i>financial years ending last Saturday in March</i>				
<i>Coal Production m. tons</i>					
N.C.B. mines	187.6	184.2	174.4	164.7	162.8
Opencast	6.1	7.0	7.1	7.1	7.1
<i>Net output (coal mining) £m.</i>	662.5	628.4	580.6	607.7	621.0
	(1963)				
<i>Profit/loss (before interest) £m.</i>					
Collieries	+39.5	+30.3	— 9.1	+17.7	+22.7
Other activities	+ 3.2	+12.5	+ 9.3	+10.8	+11.9
Total	+42.7	+42.8	+ 0.2	+28.5	+34.6
<i>Interest £m.</i>	41.9	42.7	25.0	28.2	34.2
<i>Profit/loss (after interest) £m.</i>	+ 0.8	+ 0.1	—24.8	+ 0.3	+ 0.4
<i>Capital expenditure £m.</i>	111.3	90.4	88.0	92.0	81.7
	(15 months)				
<i>Turnover (all activities) £m.</i>	899.8	896.1	850.7	890.2	899.5
<i>Manpower (all activities)</i>					
End September thousands	605.5	579.2	541.5	500.1	474.8

##### 2. Gas Industry

	1963/4	1964/5	1965/6	1966/7	1967/8
	<i>financial years ending 31st March</i>				
<i>Sales m. therms</i>	2,924	3,169	3,484	3,755	4,199
<i>Net output £m.</i>	213.3	232.0	247.2	259.4	270.9
<i>Profit/loss (after interest) £m.</i>	+ 9.6	+15.2	+11.1	+ 3.9	—12.9
<i>Capital expenditure £m.</i>	92.1	89.7	119.0	215.0	281.9
<i>Turnover £m.</i>	478.9	503.1	529.1	557.4	589.5
<i>Manpower (end financial year) thousands</i>	123.1	121.3	121.7	124.3	122.8

##### 3. Electricity Industry (England and Wales)

	1963/4	1964/5	1965/6	1966/7	1967/8
	<i>financial years ending 31st March</i>				
<i>Sales GWh</i>	121,524	130,019	138,286	141,479	150,467
<i>Net output £m.</i>	596.8	649.5	773.4	789.7	881.8
	(1963)	(1964)			
<i>Profit/loss (after interest) £m.</i>	70.4	64.1	84.7	20.6	55.0
<i>Capital expenditure £m.</i>	489.6	571.5	598.8	664.8	598.8
<i>Turnover £m.</i>	912.3	991.1	1,093.7	1,141.4	1,270.6
<i>Manpower (end financial year) thousands</i>	210.4	216.2	226.6	228.5	221.3

##### 4. British Steel Corporation

<i>Production of crude steel 1968</i>	— 23.6 m. tons
<i>Profit/loss for initial accounting period to 30th September 1968</i>	— £9.3 m. (loss before providing for interest on commencing capital debt)
<i>Capital expenditure April 1968/March 1969</i>	— £66.4 m. (provisional)
<i>Manpower (all activities) September 1968</i>	— 253,640

## Part 2 Output and Manpower by Economic Planning Regions

### Estimated Breakdown

<i>Economic Planning Regions</i>	<i>Coal</i>		<i>Gas</i>		<i>Electricity</i>		<i>Iron and Steel</i>	
	<i>Production 1968/69 m. tons</i>	<i>Manpower* end March 1969 000</i>	<i>Sales 1968 m. therms</i>	<i>Manpower June 1968 000</i>	<i>Sales 1968 GW/h</i>	<i>Manpower June 1968 000</i>	<i>Production of crude steel 1968 000 tons</i>	<i>Manpower September 1968 000</i>
Scotland	13	31	278	9	17,746	20	2,951	27
Wales	15	47	155	4	11,380	15	7,748	72
Northern	24	57	224	7	9,677	12	4,243	47
North West	6	13	578	16	24,323	26	845	14
South West	Neg.	1	164	6	10,619	19	—	—
Yorkshire and Humberside	40	80	482	10	18,605	23	5,769	49
East Midlands	41	64	297	7	10,862	16	1,053	27
West Midlands	13	22	583	11	18,030	21	964	14
East Anglia	—	—	74	2	4,400	8	—	—
South East	1	4	1,520	48	48,283	76	—	4
Total	153	319	4,355	120	173,925	236	23,573	254†

\*Wage earners on colliery books.

†Includes manpower at the British Steel Corporation's head offices in London and at the British Iron and Steel Industry's Research Association, and industrial personnel not associated with the output of crude steel.





## ELECTRICITY BOARD AREA BOUNDARIES IN RELATION TO ECONOMIC PLANNING REGIONS



# MEMORANDA BY THE BOARD OF TRADE ON

## I. DISTRIBUTION OF INDUSTRY

## II. NATIONALISED UNDERTAKINGS IN CIVIL AVIATION

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## I. DISTRIBUTION OF INDUSTRY

### *Memorandum by the Board of Trade*

#### **Policy objectives**

1. The main objective of the distribution of industry policy, which has been followed by successive administrations since the end of the war, is to promote a more balanced distribution of economic activity throughout the country and thereby to utilise more fully all the country's resources, particularly manpower. This has been pursued by giving special encouragement to the movement of industry to, and the expansion of industry in, those areas of the country which for one reason or another require industrial development. A parallel objective has been to restrain expansion in places where this would lead to excessive pressure on resources. The policy has concentrated mainly on influencing the location of industry, since industry is a primary source of employment and it attracts other activities to places where it develops. The policy is, however, closely linked to other aspects of regional and manpower policy, such as the improvement of communications and the provision of training, and since 1965 the Government has had powers to influence the pace of office development in certain parts of the country.

#### **The problem of regional imbalance**

2. Policies designed to secure similar objectives are pursued with varying degrees of rigour by most advanced industrialised countries, although the causes of the imbalance in development as between one area and another differ from country to country. In the United Kingdom, the lack of balance has come about because over recent decades the most rapid economic development has been concentrated in the Midlands and South East, whereas the older industrial regions have not merely failed to secure a significant share of growth industries, but have also experienced a decline in employment in traditional industries, such as coal mining, shipbuilding and heavy engineering. As a result, the prosperous areas of the country on the one hand have suffered from labour shortages—often so acute as to prevent firms from working at full capacity—and inward migration, with inflated prices for land and housing and pressure on services. On the other hand, the older industrial areas have suffered from unemployment, outward migration, and under used economic, social and human resources. The country does not, however, fall clearly into broad geographical divisions of prosperous and less prosperous parts, and a Committee under the chairmanship of Sir Joseph Hunt has recently considered the problems of areas whose circumstances, while giving or likely to give rise to concern, are not as serious as those parts of the country which by and large are most in need of new industrial development. (See paras. 7-9.)

#### **Instruments to secure a better distribution of industry and employment**

3. The main instruments for carrying out the Government's policy of securing a better distribution of industry and employment throughout the country are of two kinds, one positive and one negative. The first—the positive—is the provision of financial incentives designed to encourage the expansion of industry in certain parts of the country or to encourage industry outside these areas to move to them. At the present time these financial incentives are payable in development areas, designated through powers exercised under the Industrial Development Act, 1966. As the map at Appendix A illustrates the development areas cover most of Scotland and Wales, the North of England, Merseyside

and Cornwall and North Devon. The second—the negative instrument—is the control over the creation of

- (i) new industrial premises throughout the country through the system of industrial development certificates and
- (ii) new office premises in the Midlands and the South East through office development permits.

### **Financial Incentives**

4. The broad categories of financial incentives available to firms moving into or expanding in the development areas are as follows:

(a) *Local Employment Act assistance*

All assistance given under the Local Employment Acts is conditional upon the provision of employment. The following terms are given:

- (i) *Grants and loans.* Building grants are available at 25 per cent, or 35 per cent in circumstances which would justify giving special assistance. General purpose loans on terms which are usually favourable, and grants towards unusual initial expenditure involved in setting up in a development area, are also available. Expenditure in 1968/69 on these forms of assistance is expected to be £37.7 million.
- (ii) *Factory building.* The Board of Trade, acting through the Industrial Estates Corporations, build factories in the development areas mainly for leasing. These factories may be of standard type or designed to the applicant's special requirements. Factories are usually built for particular firms, but advance factories are also built without a known occupier in mind. Factories are let at rents which are usually below an economic level and rent concessions may be allowed to firms in certain circumstances. Total expenditure on factories in 1968/69 is expected to be £12.4 million.
- (iii) *Special Development Area assistance.* Certain places in the development areas likely to suffer particularly high and persistent unemployment as a result of colliery closures were designated administratively in November 1967 as Special Development Areas, in which certain additional measures of assistance are available for new projects, over and above those already provided in the rest of the development areas.

These additional incentives include a rent-free period of up to five years for Board of Trade factories (instead of up to 2 years in the rest of the development areas), "operational grants" (calculated at 10 per cent per annum for three years on the cumulative expenditure incurred on new buildings, plant and machinery, less building and investment grants), and loans to assist with the balance of building costs. Expenditure on special development area benefits is included in the figures at (i) and (ii) above.

(b) *Investment grants*

Under the Industrial Development Act, 1966, capital expenditure by business undertakings on the provision of industrial machinery and plant and certain other assets, including computers for general business purposes, is eligible for investment grants. The rate of grant is currently 40 per cent where assets are provided for use in the development areas, and 20 per cent in the rest of the country. Investment grants are not linked to employment.

In the financial year 1968/69 expenditure on investment grants paid at the development area rate is expected to be about £195 million. The current annual cost of the differential in favour of the development areas is estimated as being approximately £85 million.

(c) *The Regional Employment Premium and the Selective Employment Tax Premium*

Since 4th September 1967, a regional employment premium has been payable by the Department of Employment and Productivity in the development areas to employers in manufacturing industry in the private sector. The rates are 30s. a week for men, 15s. for women and boys, and 9s. 6d. for girls. The annual rate of expenditure on the premium is approximately £100 million. Also since 1st April 1968, the selective employment tax premium has been payable only in the development areas. The rate is 7s. 6d. for men, with lower rates for women, boys and girls. The value of this premium to the development areas is about £25 million a year.

### **Industrial development certificates and office development permits**

5. The control of *industrial building* has been exercised for over 20 years. It is operated through the planning machinery of the Town and Country Planning Acts under which no building development can take place without planning permission from the local planning authority. Any valid application for planning permission for industrial building involving more than a specified area must be accompanied by an industrial development certificate (i.d.c.) from the Board of Trade certifying that the development in question "can be carried out consistently with the proper distribution of industry". The area of industrial floor space above which an i.d.c. is necessary is in general 5,000 sq. ft. but only 3,000 sq. ft. in the Midlands and the South East, where proposals for new buildings are examined more critically. In considering applications for industrial development certificates the Board of Trade have a statutory obligation to pay particular regard to the need for providing appropriate employment in the development areas. Subject to this priority, a further objective is the steering of industry, mainly from the London and Birmingham conurbations to the New and Expanded Towns being developed to take their over-spill population. Following the Report of the Hunt Committee, the establishment of intermediate areas in which financial assistance to industry is available will put a further call on the limited supply of mobile industry. Against this background, each application for an i.d.c. is considered on its merits and all relevant factors—including the firm's economic ties with the locality, export considerations, and the need for efficiency—are taken into account.

6. The control of *office building*, on the other hand, is of comparatively recent origin, being operated under the Control of Office and Industrial Development Act 1965. Initially the control applied in the London metropolitan region and Birmingham, but on 21st July 1966 it was extended to cover the whole of the South East, East Anglia, and the East and West Midland Planning Regions. (East Anglia, and certain parts of the East and West Midlands have recently been removed from the area of the control.) In order to qualify for an office development permit (o.d.p.), applicants have to satisfy the Board of Trade that the activity cannot be carried on elsewhere; that no suitable alternative accommodation can be found, and unless the scheme is a small one, that the project is essential in the public interest; and in the case of modernisation or re-building schemes, that no extra employment on the site will result. The area of office space above which an o.d.p. is needed, is 10,000 sq. ft. except in Greater London where

it is 3,000 sq. ft. In view of the very substantial area of vacant or potentially available office space when the control was first introduced, few permits were granted, but as the amount of vacant space available in the area of the control has declined, more schemes have qualified for an o.d.p. The control is nevertheless administered rigorously.

### **Hunt Committee**

7. In September 1967 the Government appointed a Committee under Sir Joseph Hunt "to examine in relation to the economic welfare of the country as a whole and the needs of the development areas, the situation in other areas where the rate of economic growth gives cause (or may give cause) for concern and to suggest whether revised policies to influence economic growth in such areas are desirable and, if so, what measures should be adopted".

8. The Report of the Committee was published on 24th April 1969. Very briefly, it recommended that the whole of Yorkshire and Humberside and the North West Regions should qualify for an entirely new 25 per cent building grant not linked to the creation of new jobs, additional assistance for industrial training, certain infrastructure improvements, additional assistance for derelict land clearance, and assistance for Merseyside on the same basis as for the rest of the North West Region.

9. The Government have subsequently announced that they believe it right to concentrate assistance to industry on a limited number of smaller areas. Instead, therefore, of an automatic building grant over whole Regions, the Government have decided to seek powers to make available certain assistance under the Local Employment Acts (see para. 4(a)) in particular places, which include the Yorkshire coalfield, part of Humberside, N.E. Lancashire, S.E. Wales, the Erewash Valley, Plymouth and Leith. The Government is at present consulting the Regional Economic Planning Councils about the definition of these areas and is to announce precise boundaries shortly.

### **Effectiveness of distribution of industry policy**

10. The success of measures designed to encourage the growth of industry in particular parts of the country is difficult to assess. Not only is it impossible to say what would have happened without Government help, but also the indirect benefits to the area arising from assistance to industry cannot be quantified. Equally, it is impossible to set a precise value on the relief of pressure on the congested areas. Comparison over time presents other problems: there have been changes in the coverage of assisted areas and in the degree of assistance. Indeed, assistance to the development areas on the present scale has only been available since the Industrial Development Act, 1966 (and in the case of the Regional Employment Premium only since 1967), and by their nature, measures to influence the location decisions of industry take time to have effect. Nevertheless, certain conclusions can be drawn.

11. An analysis by the Board of Trade of the movement of industry during the period 1945-1965 has shown that after the introduction of Local Employment Act assistance in 1960, the development areas obtained a substantially increased proportion of the employment provided in Great Britain by firms which have transferred an establishment from one location to another or which have opened an additional manufacturing unit, where the new location was upwards of 20 miles from the firm's base location. Their share in the periods 1952/59 was 29 per cent, but this rose to 55 per cent in the years 1960/1965. An examination of the distribution of industrial development certificates reveals the same trend.

As the following table shows, in the three four-year periods during the period 1956-1967 inclusive, on the basis of i.d.c. approvals, the additional employment estimated by the applicants to arise from these projects was tending to increase in the development areas and to fall in the South East and West Midland Regions. (The 1968 figures are shown for completeness, but figures for a single year in i.d.c. statistics have only limited significance.)

**Estimated Additional Employment expected by applicants to arise from total i.d.c. approvals**

**Annual Averages**

	1956-59 '000	1960-63 '000	1964-67 '000	1968 '000	Total 1956-68 '000
Scottish Development Area	6.4	14.5	19.0	18.8	178.3
Welsh Development Area	4.0	5.0	10.8	17.5	96.8
Northern Development Area	4.6	10.9	22.8	21.7	174.7
South West Development Area	0.2	0.7	2.1	3.0	14.9
Mersyside Development Area	3.9	13.4	10.1	10.6	120.1
South East Region	26.3	26.9	16.3	18.4	296.4
West Midland Region	9.2	6.0	5.9	6.8	91.1

12. Unemployment in the development areas remains high and is still well above the national average. Nevertheless, an improvement in the position of the development areas in relation to the rest of the country has been achieved. For most of the last decade, total unemployment in the development areas has been at least double the national rate, but over the last year or so, there has been a narrowing of the gap. In April 1969, the development area rate was 4.1 per cent compared with 2.4 per cent for the country as a whole. Although this improvement may not seem large, it must be remembered that during the period in question, there have been major losses in employment in certain traditional industries in the development areas.

13. With the intensification of measures to assist industry in the development areas, the cost of assistance has also risen substantially. In the three years 1964/65 to 1966/67 the average annual expenditure on Local Employment Act assistance for the development areas was £33 million. The provision for free depreciation introduced in 1963 was an additional inducement in the development areas in this period. By 1968/69 the total expenditure on all development area incentives to industry had however increased to about £265 millions. Comparisons are, of course, complicated by the change in area coverage between the development districts and the new, much larger development areas which were designated in the Industrial Development Act of 1966 and also by the change from investment allowances and free depreciation to investment grants with a higher rate of grant in development areas. The two main elements in the current level of expenditure are the regional employment premium and the higher rate of investment grant in the development areas.

## **The regional administration of the Government's distribution of industry policy**

14. Many of the Board of Trade's distribution of industry responsibilities are undertaken by the Board's Regional Offices. There are nine of these Offices altogether, two situated in London to cover the South East and East Anglia and others in Birmingham (with an Office in Nottingham), Bristol, Leeds, Manchester and Newcastle (with a sub Office at Cockermouth). In addition, there is a Board of Trade Office for Scotland in Glasgow (with a sub Office at Inverness) and an Office for Wales in Cardiff (with a sub Office at Colwyn Bay). The Controllers of the main Regional Offices, including Scotland and Wales, most of whom are Assistant Secretaries, have substantial delegated powers to grant industrial development certificates and in London and Birmingham, office development permits.

15. A map showing the boundaries of the Regional Offices concerned is at Appendix B to Chapter 2 of the Department of Economic Affairs evidence relating to the work of the Board of Trade (see page 26).

*June, 1969*

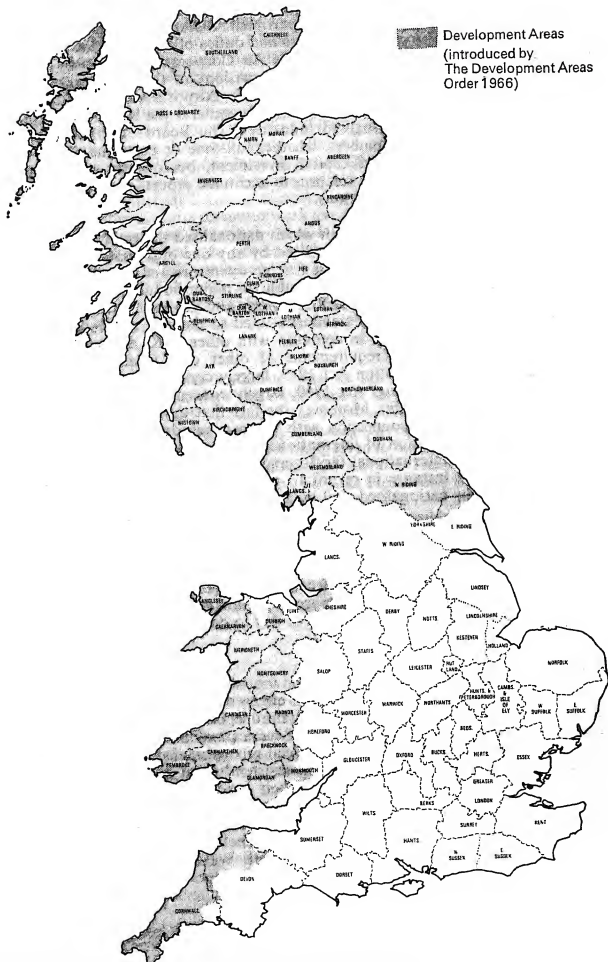


# APPENDIX A

## DEVELOPMENT AREAS

August, 1966

Industrial Development Act 1966



## II. NATIONALISED UNDERTAKINGS IN CIVIL AVIATION

### *Memorandum by the Board of Trade*

1. There are at the present time three nationalised undertakings for which the Board of Trade is the sponsoring Department: BOAC, BEA, and the British Airports Authority. The statutory powers and duties of the Board of Trade, in relation to the first two, are set out in the Air Corporations Act 1967 (which consolidated, with minor exceptions, the provisions of the Air Corporations Acts 1949 to 1966) and, in relation to the latter, the Airports Authority Act 1965, and the Civil Aviation Acts 1949 and 1968. In general the legislation follows the normal pattern for nationalised industries. The Board of Trade appoint the Chairmen and Board Members, whether full-time or part-time. There are financial powers, in respect of capital investment, borrowings, reserves and surpluses; powers and duties in relation to accounts, reports and information, and powers to give general directions.

2. Unlike some other industries in which nationalised undertakings operate, however, civil aviation is not monopolised by any one organisation. Both Air Corporations compete fiercely against foreign operators and to a lesser extent U.K. private airlines. The BAA is responsible for major but not all international airports and the increasing demands for complex and expensive ground facilities requires that it should maintain standards equal to the best on the near Continent. The Air Corporations, in common with other U.K. airline operators, have also to comply with requirements of other civil aviation legislation, (for instance, the Civil Aviation Act 1949, largely concerned with safety, and the Civil Aviation (Licensing) Act 1960, largely concerned with air transport services and domestic tariffs). Moreover the fact that the Board of Trade has direct responsibilities in connection with its own aerodromes; for air traffic control; for the negotiation of international traffic rights for British airlines; for the approval of international tariffs; and for more general responsibilities under the law (for instance in regard to prices and incomes) has important implications for the nationalised civil aviation industries.

3. In practice therefore the relationship between the Board and the undertakings is closer than is required in pursuance of specific statutory powers and duties. There is continuing exchange of information and frequent discussion of problems between officials of the Department and the industries, and between Ministers and the Chairmen on the more important subjects. The undertakings are nevertheless autonomous in matters of day to day management: their operations are briefly described below.

### **B.O.A.C.**

4. B.O.A.C. is based at Heathrow and is engaged on long haul, mainly scheduled, airline operations, linking Britain with Europe, the Middle East, the Far East, Australasia, Africa and North and South America and also providing complete round the world services. After the financial reconstruction in 1964 B.O.A.C. have succeeded in operating profitably consistently and are now planning to double their capacity within five years. Their headquarters are at Heathrow, although because of the nature of their business, they have a sizeable proportion of their staff abroad. Their operations in the U.K. outside London are limited to passenger and cargo handling facilities at Manchester and Prestwick and an engine overhaul subsidiary at Treforest (South Wales). A fully owned subsidiary, B.O.A.C. (Associated Companies) Ltd. is responsible for miscellaneous activities, such as investment in hotels.

## **B.E.A.**

5. B.E.A. operates a network of mainly short-haul scheduled services to over eighty places in Britain, Europe, North Africa and the Middle East. The Corporation is however more closely involved in the U.K. than is B.O.A.C.: it operates services from London to Birmingham, Manchester, Glasgow, Aberdeen, Edinburgh and Belfast and also operates internal services on the Scottish mainland and to the Islands. The nature of B.E.A.'s business has tended to be a marginal one financially. In spite of this they have succeeded in producing a reasonable profit in twelve out of the last fifteen years. B.E.A.'s headquarters are at Ruislip, from where control is exercised over B.E.A.'s reorganised structure. Five principal operating units have been formed as "profit centres", which are in turn supported by three centralised Departments. B.E.A.'s activities in England, Wales, Ireland and the Channel Islands are grouped into one unit headed by a Regional Director responsible for the commercial results achieved on all routes within the British Isles and Channel Islands (except internal Scottish routes). Engineering and operating staff are located at various airports on the network as necessary but the main work of each of these "profit centres" is carried out at Heathrow. The activities of B.E.A. in Scotland are all grouped into one Scottish Division, whose task it is to operate also as one of the self-contained "profit centres". In addition, through its German division B.E.A. with Air Force France and Pan American operates a substantial network of internal services in Germany under the tripartite arrangements with the U.K. Government and that of the United States and France.

## **B.A.A.**

6. The British Airports Authority was set up in 1965 under the Airports Authority Act and took over the ownership of its four international airports (Heathrow, Gatwick and Stansted in the London Area and Prestwick in Scotland) on 1st April 1966; the Authority's Vesting Day. It has the power to acquire other aerodromes and consideration is being given to the acquisition in due course by the Authority of Turnhouse (Edinburgh) Airport. The Authority has about 3,700 employees, over 2,000 of whom work at Heathrow, which is by far the largest, busiest and most profitable of its airports. The Authority's headquarters are in London from where quick and easy access is possible to all three London airports and to the numerous commercial interests with whom the Authority deals. All four airports are self-accounting and, as far as practicable, administratively decentralised. Section 1(5) of the Airports Authority Act requires that at least one member of the Authority is to have special knowledge and experience of the requirements and circumstances of Scotland; at the present time it is the (part-time) Deputy Chairman.

## **The Future**

7. Far-reaching recommendations have been made by the Committee of Inquiry into Civil Aviation which was set up by the Board of Trade in July 1967 under the chairmanship of Sir Ronald Edwards and which reported in April 1969. The Government are currently considering these recommendations and hope to publish a White Paper giving their views in October.

*September, 1969*

MEMORANDUM BY  
THE MINISTRY OF TRANSPORT ON  
NATIONALISED TRANSPORT (EXCEPT CIVIL AVIATION)

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# NATIONALISED TRANSPORT (EXCEPT CIVIL AVIATION)

## *Memorandum by the Ministry of Transport*

### **Undertakings**

1. Nationalised transport, established by the Transport Act of 1947, has undergone important organisational, financial and policy changes through the provisions of the further Acts of 1962 and 1968. At present there are eight undertakings, as listed below (a fuller description of each is given in Appendix A):

#### *(a) British Railways Board—England, Wales and Scotland*

In addition to railways, the Board operates hotels, ships (including services to Ireland and the Continent), hovercraft, docks and workshops.

#### *(b) National Freight Corporation—England, Wales, Scotland and Northern Ireland*

The Corporation, through subsidiary companies, provides a national network of transport services for the door-to-door carriage of freight using rail and road haulage or both as appropriate. It also operates shipping services to Ireland and the Continent.

#### *(c) National Bus Company—England and Wales*

The Company, through subsidiaries, provides virtually the whole basic network of local bus services outside the main municipalities. It also has subsidiary companies that manufacture commercial vehicles.

#### *(d) British Waterways Board—England, Wales and Scotland*

In addition to operating the canals, the Board operates some associated small harbours.

#### *(e) British Transport Docks Board—England, Wales and Scotland*

Operates some 23 ports. (Note: The White Paper on the Reorganisation of the Ports (Cmnd. 3903) proposes that the B.T.D.B. should be absorbed into a National Ports Authority in which would be vested all the major harbour undertakings in England, Wales and Scotland, and which would be responsible under the Minister of Transport for determining the future shape and nature of the British ports industry.)

#### *(f) Transport Holding Company—International*

The Company, through subsidiary companies, including Thomas Cook & Son Ltd., provides internal and international travel and tourism services at home and abroad.

#### *(g) Scottish Transport Group—Scotland*

The Group operates most of the bus services in Scotland outside the four municipal transport undertakings and is responsible for certain internal shipping services.

#### *(h) London Transport Board—London area*

Operates the bus and "underground railway" network in and around Greater London. Under the Transport (London) Bill now before Parliament the Board would be abolished and largely replaced by a new Board responsible to the Greater London Council.

2. The Chairmen and Board members of each of the above undertakings are appointed by the appropriate Minister—the Secretary of State for Scotland in respect of the Scottish Transport Group and the Minister of Transport for the others. The undertakings are autonomous in matters of day-to-day management, but subject to control by the Minister in the respects stated in Appendix B. Because of the nature of these controls, Departmental contacts are normally with the headquarters of the various undertakings and not with their regional offices or subsidiaries. They are eligible for various grants which Ministers may make for purposes connected with the provision of transport services.

3. The nationalised transport undertakings are diverse and their management structure reflects this. For example, the organisational pattern suitable for operating a variety of inter-related long-distance railway services connecting the main centres of population and industrial and commercial activity throughout the country differs from that appropriate for efficient management of the nation's ports, for example, or a group of travel agencies. There is not therefore a common pattern of regional control and operation for the several components of nationalised transport.

### **The Railways**

4. The Transport Act, 1962 required the British Railways Board to set up Regional Railways Boards (originally six) but this requirement was removed in the 1968 Act. The earlier philosophy was that the Regions should have the main responsibility for management of the railways, but experience showed that in a complex organisation such as this there is a need for a considerable degree of centralised control, and the Joint Steering Group appointed by the Minister of Transport and the Chairman of the Railways Board to review certain aspects of the railway industry thought that there would necessarily be an increasing trend towards the centralisation of the planning of railway operations with at least the main trunk services, passenger and freight being directed from the centre. This view is recorded in Section 4 of their Report, which was annexed to the White Paper on Railway Policy of November, 1967 (Cmnd. 3439). In accordance with their recommendations, Section 45 of the Transport Act, 1968, requires the Board to undertake a review of their affairs for the purpose of determining whether the carrying on of their activities is organised, so far as regards the direction thereof, in the most efficient manner and to report their conclusions to the Minister. Meanwhile, the Regional Boards have been re-constituted for the time being on a non-statutory basis, and day-to-day management remains a regional responsibility. In England and Wales a good deal of this work is undertaken at a lower level by Divisional staffs within the Regions. In Scotland, the whole area is being run as a single region, with no separate divisional management. On the other hand, overall financial, planning and investment control is held at headquarters.

*Note:* In the railway context the term "regional" has from the start related not to the usual kind of division of the country into geographical areas, but (except, now, in the case of Scotland) sectors of the railway network fanning out from London. This has been inherent in the nature and history of the railway system.

5. London being the place where the greatest number of major railway arteries come together, it is in London that the British Railways Board has its headquarters. Pending the outcome of a review under Section 45, the management structure there consists of a largely non-functional Board in which the Chairman concentrates on major issues of policy, day-to-day control is exercised by the

Deputy Chairman, there are members with specific responsibilities for planning, finance, and manpower, the other Board members (at 1st May) being six full time and four part time. It is, also, of vital importance that the railway headquarters should be in easy reach of the Ministry of Transport, other Nationalised Boards, Trade Unions, and the other major organs of Government and industry.

### **National Freight Corporation**

6. The role of the National Freight Corporation is essentially that of a holding company: to set the framework within which its various subsidiaries operate, rather than to manage them. Freight transport is not a single, indivisible industry: its numerous parts vary greatly and flexibility must be the keynote of the whole organisation. The Corporation operates as a commercial enterprise. There is centralised machinery to ensure that common policies are followed and that the subsidiaries have regard to the interests of one another. There are also central marketing services for the large industrial users. But there is no regional grouping.

7. The very small headquarters of the National Freight Corporation is in central London, because of the need for close liaison with the Railways Board, the Ministry of Transport and the headquarters staff of the transport unions. Some of the subsidiary companies also have their headquarters in London because of the particular needs of the business (this applies for instance to National Carriers Limited, the former railway sundries activity, and Freightliners Limited, for which very close co-operation with the Railways Board is imperative). Of subsidiaries with headquarters out of London the Tayforth Group at Falkirk is a notable example. All the subsidiary companies are organised through structures of area and depot management, with over 90 per cent of staff working at these levels, and with a strong element of local autonomy.

### **Road Passenger Transport**

8. The organisational structure of the National Bus Company is broadly similar to that of the National Freight Corporation. Bus managements have to be particularly responsive to local conditions and problems and must co-operate closely with the communities they serve and this is achieved by giving the local subsidiaries a good deal of autonomy and appropriate financial targets, with the NBC performing the essential function of a holding company in laying down the policy framework and the targets within which the local subsidiary companies can operate. There is no regional organisation or management in the accepted sense; regional or area co-ordination is achieved by arranging for the several subsidiary companies in each of ten area groups to have a common chairman: the group chairmen being "Executive Directors" of the NBC itself. The headquarters of the National Bus Company is in London in order to provide for the most effective management and control of the organisation and this also facilitates the necessary liaison with the headquarters of other organisations. The same kind of organisational considerations apply to the Scottish Transport Group. The Group's headquarters are in Edinburgh, but the services are provided by subsidiaries with offices in various parts of Scotland.

### **Waterways**

9. The administrative structure of the British Waterways Board is compact and functional. The Board's General Manager, together with a small nucleus of "policy" staff, is located in London and the headquarters "executive" arm is at Watford. There are two regional engineering maintenance organisations—one for the north (based at Leeds) and the other for the south (based at Gloucester).

ter)—with area engineering offices in various towns. Policy matters and the promotion of all forms of commercial transport and pleasure craft revenue-earning activity are directed from headquarters, but a considerable measure of authority in day-to-day matters is delegated to the managers of depots, fleets and docks. Estate offices have been established at Gloucester, Leeds and Watford.

### The Ports

10. The British Transport Docks Board has its headquarters in London, where the Managing Director, as the Chief Executive, is responsible for advising the Board on all except legal matters; for the execution of the Board's policy; and for overall managerial efficiency of the undertaking.

11. The Board's harbours are organised under a number of management units each under the control of a local manager who is responsible to the Board. The managerial units vary in size and scope. By the Board's policy each of the managers is served by a self-contained organisation for engineering, accounting, commercial, traffic and nautical matters, staff management and estate affairs. Each of the docks managers enjoys a considerable degree of autonomy and freedom of initiative in achieving efficiency of operation and harmonious relations with port users, and each is charged with the responsibility of carrying out the policies of the Board. The Board retain to themselves development of policy overall control of finance and staff affairs of group importance, including salary and wages rates and conditions of services and senior appointments. Central financial control stems primarily from annual revenue and expenditure budgets and a five year investment programme.

12. The proposed National Ports Authority, into which the British Transport Docks Board would be absorbed, is intended to delegate management responsibility to subsidiary authorities based mainly on the principal estuaries. The National Ports Authority would stand to the subsidiary authorities in much the same relationship as that of a holding company to its wholly-owned subsidiaries.

### Consultative and Advisory Bodies

13. Various consultative and advisory bodies set up under the Transport Acts advise the Minister (or, in the case of the Scottish Transport Group, the Secretary of State for Scotland) about the activities of the nationalised transport undertakings.

14. Under the 1962 Act there are nine *Area Transport Users' Consultative Committees* in England (including one for the London Area) and also a Committee for Scotland and one for Wales and Monmouthshire. There is also a Central Transport Consultative Committee, consisting of the Chairmen of the English, Scottish and Welsh Committees with the addition of six members appointed by the Minister. The area boundaries are given in Appendix C.

15. The Area Committees (including the Scottish and Welsh Committees) have two functions: to consider and if they see fit make recommendations on "quality of service" matters relating to the services and facilities provided by the Railways Board, the London Board, the Docks Board, the National Freight Corporation and the Scottish Transport Group (other than buses) which are referred to them either by users or by the Minister (or the Secretary of State, in the case of the STG), or which they think should be given consideration: and to report to the Minister (usually after a public hearing) on the hardship, if any, which they consider would be caused by the withdrawal of any rail passenger



service proposed under statute by the Railways Board or the London Board to which an objection has been lodged with them by a user, and to recommend means (usually additional bus services) of alleviating such hardship. The Minister (jointly with the Secretary of State for Scotland in Scottish cases) may subsequently consult them about matters relating to alternative bus services provided in consequence. The Scottish and Welsh Committees also make their quality of service recommendations direct to the Minister (or to the Secretary of State in relation to matters concerning the Scottish Transport Group). The English Committees make their quality of service recommendations to the Central Committee, who may either convey them to the Minister (with modifications if they see fit) or may decide not to do so. The Central Committee and the Scottish and Welsh Committees publish annual Reports which are laid before Parliament.

16. The *Freight Integration Council* was set up under Section 6 of the Transport Act 1968 to consider and advise the Minister of Transport (or in the case of matters affecting the Scottish Transport Group the Secretary of State) on any matter concerning the provision of an integrated freight transport service in the public sector. It is thus concerned with the activities of the Railways Board, the National Freight Corporation, the British Transport Docks Board, the British Waterways Board, the Scottish Transport Group, the British Overseas Airways Corporation, the British European Airways Corporation, the British Airports Authority, and the Post Office.

17. The *Inland Waterways Amenity Advisory Council*, consisting of a chairman and members appointed by the Minister was set up under the Transport Act, 1968. Members are chosen for their wide knowledge of, and interest in, the use of inland waterways for amenity or recreational purposes. The Council's function is, primarily, to advise the Board and the Minister on matters concerning the cruising waterways.

*June, 1969*

## APPENDIX A

### THE UNDERTAKINGS

#### **The British Railways Board**

1. The British Railways Board was established in 1962 with an inheritance of existing railways and associated properties throughout Great Britain, and has a statutory duty (still in force under section 3(1) of the Transport Act 1962) to provide railway services in England, Wales and Scotland, and such other services and facilities in connection with railway operation as appear to the Board to be expedient.

2. The Railways Board operates over a network of approximately 12,500 route miles, of which almost 9,500 route miles are open to passenger traffic. The Government decided in 1966 that it was essential to determine the size and shape of the basic route system to meet both commercial and social needs. This was essential so that management could concentrate on the improvement rather than the contraction of the system. After taking account of the views of Economic Planning Councils, the Government and the British Railways Board decided on the basic route network, the details of which were published in March, 1967.

3. The Board operates a substantial shipping business, both to the Continent and to Ireland, carrying passengers, vehicles and freight in both sectors. In addition to these the Board operates hovercraft services (via its subsidiary "Seaspeed") to the Isle of Wight and to the Continent (the latter from Dover). The Board has several harbour undertakings associated with its maritime services.

4. The Board is also involved in the hotel industry, via its subsidiary British Transport Hotels Ltd. This company owns 34 hotels, of which it manages all but one. In addition B.T.H. Ltd. operate a sizeable catering service on trains and in stations.

5. British Railways workshops have recently been reorganised and modernised. They provide facilities for the construction of new rolling stock and the repair of locomotives, carriages, vehicles and containers.

#### **The Transport Holding Company**

6. The Company was formed under the Transport Act, 1962, with responsibilities in road haulage, (now transferred to the National Freight Corporation); in road passenger services (now transferred to the National Bus Company); and in travel and tourism. As regards travel and tourism the Company acts mainly through its subsidiary Thomas Cook & Son Ltd. and the latter's subsidiaries (including Dean and Dawson). It also has a controlling interest in the Sir Henry Lunn travel agency. The headquarters of all these businesses are in London, but there is a chain of small retail outlets throughout the country.

#### **The National Bus Company**

7. The National Bus Company was established under the Transport Act, 1968 to provide a network of bus services throughout England and Wales, for which purpose it inherited road passenger transport assets of the Transport Holding Company, including vehicles, etc., already taken over in 1968 from most of the privately owned bus companies. With a fleet of over 20,000 vehicles the NBC

provides virtually the whole basic network of local bus (stage carriage) services in England and Wales outside the main municipalities. It operates exclusively through locally based subsidiary companies which include most of the well-known names, e.g. Ribble in the North West, Midland Red, United Automobile Services in the North East, Southdown in the South East. These subsidiaries are grouped in the sense that they share ten company chairmen among them, the same man being Chairman of all the NBC subsidiaries in the same part of the country. The NBC also has important bus manufacturing subsidiary companies in Bristol and East Anglia.

### **The Scottish Transport Group**

8. The Scottish Transport Group was set up under the Transport Act, 1968. It has acquired the ownership of the Scottish Bus Group, and a half-share in David MacBrayne Ltd. from the Transport Holding Company, and has also taken over control of the Caledonian Steam Packet Company Ltd. from the British Railways Board. The Group is thus fully responsible for the operation of the main network of bus services in Scotland outside the four cities, a considerable number of express coach services to England, and the main shipping services on the Clyde. Through its shareholding in MacBraynes, it is also concerned with the operation of shipping, bus and road haulage services in the Highlands and Islands. The Group, which has a small headquarters staff in Edinburgh, operates entirely through subsidiaries with offices throughout Scotland. The relationship between the Group and the Secretary of State is fundamentally the same as that between the other nationalised transport undertakings and the Minister of Transport.

### **The London Transport Board**

9. The London Transport Board operates a bus and rail network in and around Greater London. Under the Transport (London) Bill now before Parliament, it is proposed that the London Transport Board as such should go out of existence. The country bus services operated by the Board—broadly those outside Greater London—and the Green Line coaches will be taken over by the National Bus Company. The Board's present rail network, and the central London bus services, will become the responsibility of a new authority, the London Transport Executive. This authority will be responsible, not to central Government, but the Greater London Council, who will have financial and policy responsibilities for its activities. Its relationship to the Greater London Council will, very broadly, be on the same lines as that normally prevailing between a nationalised undertaking and the responsible Minister.

### **The National Freight Corporation**

10. The Corporation was established under the Transport Act, 1968 to provide nationwide integrated road/rail freight services. For this purpose it has taken over all the road haulage subsidiaries of the Transport Holding Company (including some companies which operate in Northern Ireland) comprising some 20,000 road freight vehicles. It has also taken over from the Railways Board the road vehicles, terminals and assets (other than rail vehicles) of the railways sundries and freightliner divisions. The freightliner assets are vested in a separate subsidiary of the Corporation in which the Railways Board has a 49 per cent shareholding in recognition of its interest in services for which it provides rail trunk haulage. It has also taken over from the T.H.C. certain shipping services. The Corporation operates entirely through its subsidiaries such as British Road Services, Pickford's, etc. and the two new subsidiaries, National Carriers Limited (the former rail sundries service) and Freightliners Limited. It offers

customers a door-to-door freight transport service using either rail trunking (e.g. by freightliner, with ancillary road collection and delivery services as required) or by road throughout, giving preference to rail trunking where it is efficient and economic to do so.

### **British Waterways Board**

11. The British Waterways Board has since 1962 been responsible for about 2,000 miles of existing canals and river navigations in England, Wales and Scotland. Under the Transport Act, 1968 the Board's waterways are divided into "commercial waterways" (about 340 miles), to be principally available for the commercial carriage of freight, "cruising waterways" (about 1,100 miles), to be principally available for cruising, fishing and other recreational purposes, and "the remainder" (about 600 miles) which are to be dealt with in the most economical manner. Only the commercial waterways are still of some slight significance in the transport field, but less than one half of one per cent of the country's inland freight traffic is carried on them. About one ninth of this water-based freight goes in the Board's fleets of several hundred cargo-carrying vessels, the remainder is taken by independent waterway carriers. The Board also operates warehousing depots, several small docks, and a small ancillary fleet of road haulage vehicles as well as a pleasure craft hiring business. Another important activity is the sale of water for industrial and agricultural purposes.

### **The British Transport Docks Board**

12. The British Transport Docks Board was established by the Transport Act, 1962 to operate the 32 harbour undertakings in Great Britain listed in Part II of the third schedule to that Act, (i.e. the "commercial" ports of the former British Transport Commission as distinct from the packet ports and canal ports). Almost all of the 32 harbours were acquired or constructed by railway companies as the seaward terminals of railway lines. Under the Transport Act, 1947 they were vested in the British Transport Commission; under the Transport Act, 1962 they were transferred to the British Transport Docks Board.

13. The Board is currently responsible for the management and operation of some 23 ports. The Board's harbours are grouped into a number of management units each under the control of a local manager responsible to the Board.

### **The Proposed National Ports Authority**

14. Statutory harbour authorities are of various types:  
including

- (i) *Nationalised bodies*, including the British Transport Docks Board, the British Waterways Board, the British Railways Board and the British Steel Corporation (through a subsidiary company).
- (ii) *Public trusts*. These are independent statutory bodies. Many large harbours, e.g. London and Liverpool, have this type of authority.
- (iii) *Local authorities*. In these cases the harbour authority is a local government body, such as Bristol Corporation.
- (iv) *Companies*. A few harbours are run by companies which have statutory powers, such as the Manchester Ship Canal Company and the Felixstowe Dock and Railway Company.

15. The Government proposes, in the White Paper on The Reorganisation of the Ports (Cmnd. 3903), to set up a National Ports Authority (NPA) to which will be transferred harbour undertakings of the British Transport Docks Board and of the harbour authorities in whose harbours the trade handled exceeds 5m. tons. It is expected that the undertakings affected will be those of the following harbour authorities:

- British Transport Docks Board
- Port of London Authority
- Medway Conservancy Board
- Port of Bristol Authority (Bristol Corporation)
- Milford Haven Conservancy Board
- Mersey Docks and Harbour Board
- Manchester Ship Canal Company
- Clyde Port Authority
- Forth Ports Authority
- Port of Tyne Authority
- Tees and Hartlepoons Port Authority.

## APPENDIX B

*The functions of Ministers with respect to the nationalised transport undertakings* (i.e. the Minister of Transport or in the case of the Scottish Transport Group, of the Secretary of State for Scotland) may be broadly summarised as being:

- (a) to appoint the Chairman and Board Members;
- (b) to give them general directions if he considers this to be in the national interest—a power seldom exercised;
- (c) to give specific directions consequent on formal recommendation from the appropriate statutory consultative body, viz the Central Transport Consultative Committee or the Scottish or Welsh Transport Users Consultative Committee, or the Freight Integration Council;
- (d) in financial matters to settle the way in which major capital expenditure projects are to be programmed and controlled;
- (e) to apply certain specific controls—in particular as affecting activities that may be undertaken, lines of research, acquisition of land, and (in the case of the British Railways Board and National Freight Corporation) organisation and the transfer of functions and assets between them;
- (f) with respect to the Railways Board only—
  - (i) to give or withhold his consent to any proposal to discontinue all railway passenger services from any station or on any line, in cases where a valid objection has been lodged; in which connection he may give directions to the British Railways Board or London Transport Board and to the National Bus Company; and the Secretary of State may give directions to the Scottish Transport Group;
  - (ii) to give undertakings to pay grant, for a period not exceeding 3 years at a time, in respect of unremunerative passenger services which he decides should be retained on social or economic grounds.

## APPENDIX C

### TRANSPORT USERS CONSULTATIVE COMMITTEES

Committee	Area covered
Central Transport Consultative Committee for Great Britain	
Transport Users Consultative Committee for Scotland	The whole of Scotland
Transport Users Consultative Committee for Wales and Monmouthshire	The whole of Wales and Monmouthshire
Transport Users Consultative Committee for London	The London Passenger Transport Area
Transport Users Consultative Committee for the Yorkshire Area	East and West Ridings of the County of York and the City of York
Transport Users Consultative Committee for the East Anglia Area	Norfolk, Suffolk, Huntingdon and Peterborough and Cambridgeshire and Isle of Ely and the parts of the counties of Bedfordshire, Hertfordshire and Essex not within the London Passenger Transport Area
Transport Users Consultative Committee for the East Midland Area	Derbyshire (except the parts included in the North Western area), Nottinghamshire, Leicestershire, Rutland, Northamptonshire, Oxfordshire and Lincolnshire and the part of the County of Buckinghamshire not within the London Passenger Transport Area
Transport Users Consultative Committee for the West Midland Area	Staffordshire, Shropshire, Worcestershire, Herefordshire and Warwickshire
Transport Users Consultative Committee for the South Western Area	Gloucestershire, Wiltshire, Somerset, Devon and Cornwall and the Isles of Scilly
Transport Users Consultative Committee for the South Eastern Area	Berkshire, Hampshire and Dorset and the Isle of Wight and the parts of the Counties of Sussex, Surrey and Kent not within the London Passenger Transport Area

Transport Users Consultative  
Committee for the North Western  
Area

Cheshire, Lancashire, Cumberland  
and Westmorland and part of the  
County of Derby (comprising  
the Boroughs of Buxton and  
Glossop, the Urban District of  
New Mills and the Rural District  
of Chapel-en-le-Frith)

Transport Users Consultative  
Committee for the North  
Eastern Area

Northumberland and Durham,  
and the North Riding of the  
County of York.

(The areas are indicated on the Map on page 129.)



## TRANSPORT USERS' CONSULTATIVE COMMITTEES



# Commission on the Constitution

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## WRITTEN EVIDENCE

4

CIVIL SERVICE DEPARTMENT  
DEPARTMENT OF ECONOMIC AFFAIRS  
MINISTRY OF HOUSING AND LOCAL  
GOVERNMENT  
POST OFFICE  
MINISTRY OF POWER  
BOARD OF TRADE  
MINISTRY OF TRANSPORT



*LONDON*  
HER MAJESTY'S STATIONERY OFFICE  
1970

SBN 11 730008 X

# COMMISSION ON THE CONSTITUTION

## *Terms of Reference*

To examine the present functions of the central legislature and government in relation to the several countries, nations and regions of the United Kingdom;

to consider, having regard to developments in local government organisation and in the administrative and other relationships between the various parts of the United Kingdom, and to the interests of the prosperity and good government of Our people under the Crown, whether any changes are desirable in those functions or otherwise in present constitutional and economic relationships;

to consider, also, whether any changes are desirable in the constitutional and economic relationships between the United Kingdom and the Channel Islands and the Isle of Man.

## *Membership*

*Chairman*—The Lord Crowther

D. Basnett, Esq.

A. T. Davies, Esq., Q.C.

The Lord Foot

Alderman Sir Mark Henig

The Rt. Hon. Douglas Houghton, C.H., M.P.

Dr. N. C. Hunt

The Hon. Lord Kilbrandon

The Rt. Hon. Selwyn Lloyd,

C.H., C.B.E., T.D., Q.C., D.L.,<sup>†</sup>M.P.

The Very Rev. J. B. Longmuir, T.D., D.D.

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**Note.** With the exception of the memorandum by the Civil Service Department at 1(a), these memoranda were submitted shortly before changes in the machinery of government were made in October 1969. These changes are described in the Civil Service Department memorandum.